

SYRACUSE CITY CORPORATION

Syracuse, Utah



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2017

SYRACUSE CITY CORPORATION

Syracuse, Utah

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

Prepared by:

Stephen Marshall, CPA
Finance Director

SYRACUSE CITY
LIST OF ELECTED AND APPOINTED OFFICIALS
For The Year Ended June 30, 2017

Elected Officials

Terry Palmer -----	Mayor
Andrea Anderson -----	City Councilmember
Corinne Bolduc -----	City Councilmember
Michael Gailey-----	City Councilmember
Dave Maughan-----	City Councilmember
Jordan Savage-----	City Councilmember

Executive, Legal and Budgetary Officials

Brody Bovero -----	City Manager
Paul Roberts-----	City Attorney
Stephen Marshall -----	Budget Officer

Statutory Appointed Officials

Garret Atkin -----	Chief of Police
Cassie Z. Brown -----	City Recorder
Brody Bovero -----	City Treasurer
Robert Whiteley -----	City Engineer

Department Directors

Brigham Mellor-----	Community & Economic Development
Stephen Marshall -----	Finance Director
Eric Froerer -----	Fire Chief
T.J. Peace -----	Information Technology Director
Catherine Hoskins-----	Justice Court Judge
Kresta Robinson -----	Parks & Recreation Director
Robert Whiteley -----	Public Works Director

SYRACUSE CITY

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INTRODUCTORY SECTION



Mayor
Terry Palmer

City Council
Andrea Anderson
Corinne Buldoc
Michael Gailey
Dave Maughan
Jordan Savage

November 14, 2017

To the Honorable Mayor, City Council, and Citizens of the City of Syracuse:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Syracuse City Corporation for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of Syracuse City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of Syracuse City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Syracuse City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Syracuse City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Keddington & Christensen, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Syracuse City for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Syracuse City's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Syracuse City's MD&A can be found immediately following the report of the independent auditors.

Entities receiving funding from the federal government are federally mandated to undergo a "Single Audit" designed to meet the special needs of federal grantor agencies. The Single Audit Act of 1996 and Title 2 U.S Code of Federal Regulations Part 200 governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Although the City received funds under federal financial assistance programs, the revenue was not sufficient to require a single audit.

The State of Utah requires the City to be audited in accordance with Government Auditing Standards (GAO Yellow Book 2013 Revision) and sets forth general requirements for auditors to follow in its Compliance Manual for Audits of Local Governments. The City is responsible for compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; and other special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah Legal Compliance Audit Guide.

Profile of the Government

Syracuse City was incorporated on September 3, 1935 and is located in the northern part of the state along the Wasatch Front. Syracuse became linked to Antelope Island State Park in 1969, with construction of a causeway. The City is the gateway to Antelope Island bringing 431,190 visitors in fiscal year 2017, through the heart of the city. Syracuse City currently occupies a land area of 9.5 square miles and serves a population of approximately 29,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

Syracuse City is governed by a six-member council form of government. Policy-making and legislative authority are vested in a governing council consisting of a mayor and five other members, known as the City Council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City. The Mayor and City Council are elected on a non-partisan, at-large basis and serve four-year staggered terms.

Syracuse City provides a full range of services, including police and fire protection; culinary water, secondary water, storm water, sewer and sanitation; construction and maintenance of highways, streets, and other infrastructure; and recreational activities. The governing council of the City also serves as the Board of Directors for the Syracuse City Redevelopment Agency (RDA) and the Municipal Building Authority of Syracuse (MBA). The RDA and MBA are separate legal entities, but due to the oversight responsibilities of the City's governing council in the decision-making process, they are reported within the financial statements of Syracuse City. Additional information on the RDA and MBA can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for Syracuse City's financial planning and control. All departments of the City are required to submit requests for appropriations to the Finance Director in March of each year. The Finance Director and City Manager use these requests as the starting point for developing a tentative budget. The Finance Director then presents the tentative budget to the governing council at their first meeting in May. The council is required to hold public hearings on the tentative budget and to adopt a final budget no later than June 22nd. The appropriated budget is prepared by fund, and department (e.g., police). Department directors may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, this comparison is presented on pages 57-60 as part of the required supplementary information for the governmental funds. For other funds with appropriated annual budgets, other than the major governmental funds, this comparison is presented in the supplementary section of this report, which starts on page 64.

Economic Conditions

The City has experienced a steady economic growth over the past few years. This is evidenced by our revenues associated with construction, namely building permits and development impact fees. These revenue increases show that the housing market is growing steadily; however, even with the increases in building permit revenue over the past few years, the City continues to remain below the growth levels seen during the 2004 to 2007 fiscal years.

The City's tax revenues continue to show signs of steady growth in fiscal year 2017 with sales tax revenue up 7.1% over prior year. Property tax rates and levies by the City were held at the same rate as the prior year with a truth in taxation hearing. Property values have also increased by approximately 7.9% in Syracuse City. The property tax formula, provided in state law, is revenue based and the tax rate adjusts to provide the same revenue from year to year regardless of valuation changes. Property Tax revenues increased due to new development and new homes built in Syracuse as well as holding the tax rate with increasing property values.

Long-Term Financial Planning

Financial policy dictates that unrestricted general fund balance be kept between 5% to 25% of general fund revenues. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and

capital needs of that year. The unrestricted fund balance for fiscal year ended June 30, 2017, was 24% of general fund revenues.

The City uses a five-year capital improvement plan to focus on upcoming projects that will require funding. Modification of the plan and reprioritization of projects takes place annually. The Council and management attempt to finance all city operations on a pay as you go basis. Issuing debt is avoided if possible.

The City has invested long-term in infrastructure by issuing bonds in 2006 and 2008 to construct a new city hall, fire station, and making significant modifications to its public works building and police station. These buildings and improvements will benefit the city for the next 30 to 40 years. The city refinanced these bonds in 2016 to take advantage of lower interest rates and to save money. The City plans to pay off its bonds over the next 11 years.

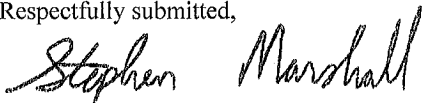
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Syracuse City for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the seventh consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. I would like to express my appreciation to all employees of the City who assisted and contributed to the preparation of this report, and to our auditors, Keddington & Christensen LLC, for their cooperation and hard work. Credit must also be given to the Mayor, City Council, and City Manager for their support for maintaining the highest standards of professionalism in the management of Syracuse City's finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Stephen Marshall". The signature is written in a cursive, flowing style.

Stephen Marshall, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Syracuse City Corporation
Utah**

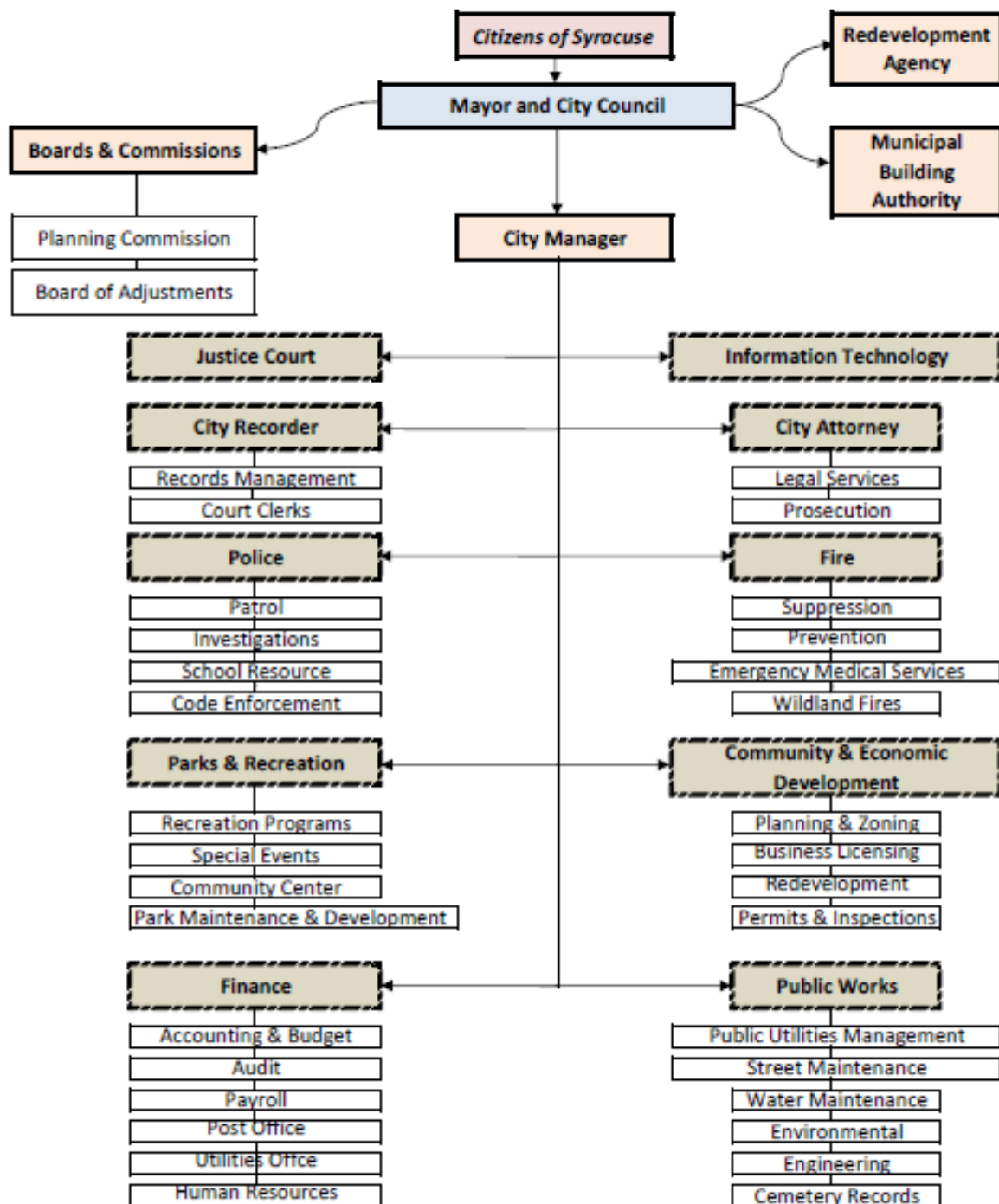
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

SYRACUSE CITY CORPORATION

Organizational Chart



FINANCIAL SECTION



Keddington & Christensen, LLC

Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Syracuse City
Syracuse City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Syracuse, Utah's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Syracuse, Utah's basic financial statements. The introductory section, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2017, on our consideration of the City of Syracuse, Utah's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Syracuse, Utah's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah
November 14, 2017

SYRACUSE CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Year Ended June 30, 2017

The following is a discussion and analysis of Syracuse City's financial performance and activities for the year ended June 30, 2017. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis will assist the reader to gain a more complete knowledge of the City's financial performance.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the letter of transmittal and the City's financial statements.

Financial Highlights

- The assets and deferred outflows of Syracuse City exceeded its liabilities and deferred inflows at June 30, 2017 by \$125,424,270 (net position). Of this amount, \$9,160,805 (unrestricted net position) may be used to meet the government's ongoing obligations.
- Syracuse City's total net position increased by \$9,493,991 during the fiscal year. Net position of governmental activities increased \$5,809,404 or 11.2%. Net position of business-type activities increased \$3,684,587 or 5.7%. Most of the increase in net position during the year came from infrastructure assets contributed by developers of new subdivisions (i.e. streets, water lines, secondary water shares, etc.), land donated to the city for a sports park, and increased revenue from sales tax, franchise tax, and capital grants.
- Syracuse City's governmental funds reported combined ending fund balances of \$9,588,410 at June 30, 2017. Approximately 53.6% or \$5,136,519 of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the City's discretion or upon council approval.
- At June 30, 2017, unrestricted fund balance for the general fund was \$3,154,834 or 24% of the total general fund revenues.
- Syracuse City's total debt decreased by \$1,029,103 from principal payments on outstanding bonds and capital leases.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Syracuse City's basic financial statements which are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The financial statements also include information about Syracuse City Redevelopment Agency and the Municipal Building Authority of Syracuse City, blended *component units* of Syracuse City. Both entities are separate legal creations of Syracuse City but are reported here instead of having separate reports. A detailed explanation of the reporting entity is part of the notes to the financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of Syracuse City's finances in a manner similar to a private-sector business. The governmental and business-type activities are consolidated into columns which add to a total for the primary government.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows of resources, with the difference between the reported categories as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the reader will need to consider other non-financial factors. This statement combines and consolidates governmental fund's current financial resources with capital assets and long-term obligations.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Syracuse City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Syracuse City include general government, public safety, highways and public improvements, and parks and recreation and public property. The business-type activities of Syracuse City Corporation include the Secondary Water Fund, Culinary Water Fund, Sewer Utility Fund, Storm Sewer Utility Fund, and Garbage Utility Fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Syracuse City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two types: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Syracuse City maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority which are all considered major funds.

Syracuse City adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with the fiscal year 2017 budget.

Proprietary funds. Syracuse City Corporation maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Secondary Water Utility, Culinary Water Utility, Sewer Utility, Storm Sewer Utility, and Garbage Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Syracuse City Corporation uses an internal service fund to account for its information technology activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Syracuse City Corporation's assets and deferred outflows exceeded its liabilities and deferred inflows by \$125,424,270 at the close of the most recent year, June 30, 2017.

The largest portion of the City's net position, \$109,517,684 (87.3%), reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$6,745,781, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$9,160,805, may be used to meet the City's ongoing obligations to citizens and creditors.

The following table reflects the condensed statement of net position:

Syracuse City Corporation's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 12,799,327	\$ 11,027,068	\$ 9,491,419	\$ 7,307,593	\$ 22,290,746	\$ 18,334,661
Capital assets	60,411,561	57,351,904	59,798,397	58,238,891	120,209,958	115,590,795
Total assets	73,210,888	68,378,972	69,289,816	65,546,484	142,500,704	133,925,456
Total deferred outflows of resources	1,569,152	1,259,534	169,732	142,906	1,738,884	1,402,440
Total assets and deferred outflows of resources	74,780,040	69,638,506	69,459,548	65,689,390	144,239,588	135,327,896
Long-term liabilities outstanding	11,473,180	12,423,350	68,073	62,129	11,541,253	12,485,479
Other liabilities	3,203,370	3,294,893	1,453,257	1,382,753	4,656,627	4,677,646
Total liabilities	14,676,550	15,718,243	1,521,330	1,444,882	16,197,880	17,163,125
Total deferred inflows of resources	2,562,131	2,188,308	55,307	46,184	2,617,438	2,234,492
Net position:						
Net investment in capital assets	49,719,287	45,647,850	59,798,397	58,238,891	109,517,684	103,886,741
Restricted	4,388,019	4,144,888	2,357,762	1,571,320	6,745,781	5,716,208
Unrestricted	3,434,053	1,939,217	5,726,752	4,388,113	9,160,805	6,327,330
Total net position	\$ 57,541,359	\$ 51,731,955	\$ 67,882,911	\$ 64,198,324	\$ 125,424,270	\$ 115,930,279

At the end of the current fiscal year, Syracuse City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

The following table summarizes Syracuse City's total revenues, expenses, and changes in net position for fiscal year 2017 and 2016:

Syracuse City Corporation's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 3,046,951	\$ 2,961,778	\$ 7,701,318	\$ 7,146,265	\$ 10,748,269	\$ 10,108,043
Operating grants and contributions	424,967	219,497	49,506	-	474,473	219,497
Capital grants and contributions	6,806,793	4,490,793	3,653,269	3,403,202	10,460,062	7,893,995
General revenues:						
Property taxes	2,661,024	2,422,791	-	-	2,661,024	2,422,791
Other taxes	5,313,603	4,968,547	-	-	5,313,603	4,968,547
Other	279,087	239,760	160,366	149,193	439,453	388,953
Total revenues	<u>18,532,425</u>	<u>15,303,166</u>	<u>11,564,459</u>	<u>10,698,660</u>	<u>30,096,884</u>	<u>26,001,826</u>
Expenses:						
General government	2,816,906	2,631,121	-	-	2,816,906	2,631,121
Public safety	4,640,066	4,399,653	-	-	4,640,066	4,399,653
Highways and public improvements	3,313,400	2,757,888	-	-	3,313,400	2,757,888
Parks and recreation	1,711,853	1,303,964	-	-	1,711,853	1,303,964
Interest on long-term debt	240,796	335,309	-	-	240,796	335,309
Culinary Water	-	-	1,957,655	1,963,462	1,957,655	1,963,462
Sewer	-	-	2,630,274	2,173,179	2,630,274	2,173,179
Garbage	-	-	1,266,547	1,277,589	1,266,547	1,277,589
Secondary Water	-	-	1,472,424	1,458,713	1,472,424	1,458,713
Storm Water	-	-	552,972	541,094	552,972	541,094
Total expenses	<u>12,723,021</u>	<u>11,427,935</u>	<u>7,879,872</u>	<u>7,414,037</u>	<u>20,602,893</u>	<u>18,841,972</u>
Increase (Decrease) in net position	5,809,404	3,875,231	3,684,587	3,284,623	9,493,991	7,159,854
Net position - beginning of year	<u>51,731,955</u>	<u>47,856,724</u>	<u>64,198,324</u>	<u>60,913,701</u>	<u>115,930,279</u>	<u>108,770,425</u>
Net position - end of year	<u><u>\$ 57,541,359</u></u>	<u><u>\$ 51,731,955</u></u>	<u><u>\$ 67,882,911</u></u>	<u><u>\$ 64,198,324</u></u>	<u><u>\$ 125,424,270</u></u>	<u><u>\$ 115,930,279</u></u>

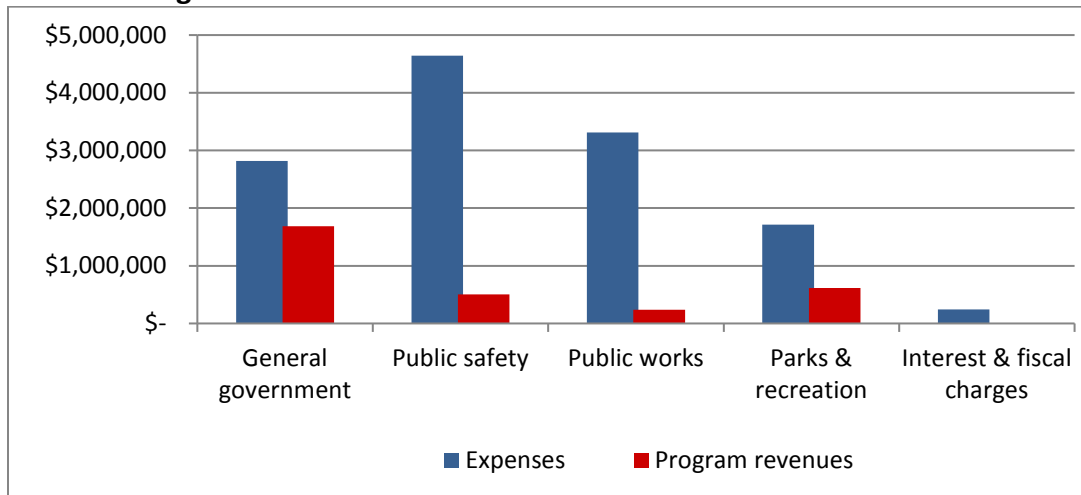
Governmental activities. Governmental activities increased Syracuse City's net position by \$5,809,404 in the current fiscal year. Key elements of the increase were as follows:

- Land donated to the city by a developer for a future regional sports complex totaled a fair market value of \$3,510,000.
- Capital contributions from developers during fiscal year 2017 including streets, sidewalks, and curb and gutter totaled \$1,290,794.
- Sales tax revenue increased 7.1% or \$249,147 over the previous fiscal year while franchise taxes increased 6.6% or \$95,909.
- Property taxes increased by \$238,233 or 9.8% due to new development from both residential and commercial.
- Operating grants increased by \$207,048 or 288% due to the new ¼ cent sales tax increase for roads improvements. This tax was approved by the voters in 2015 and was enacted on January 1, 2016.

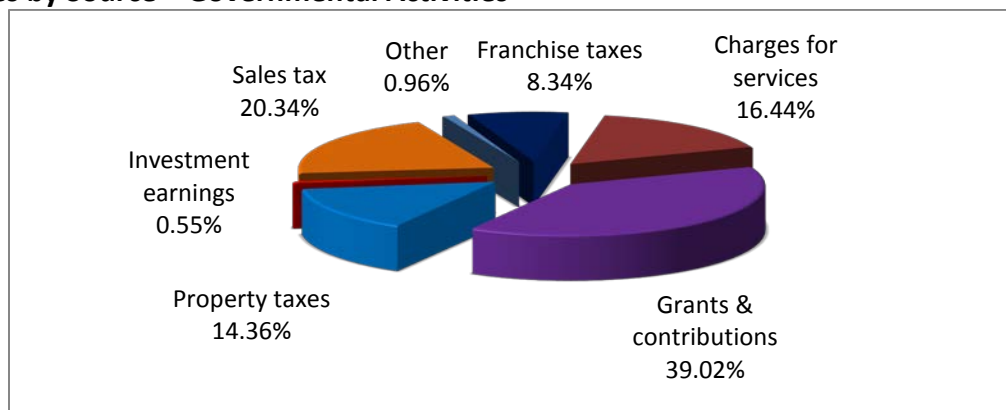
SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

The following graphs display a different perspective on governmental activities expenses compared to program revenues attributed to the activity:

Expenses and Charges for Services – Governmental Activities



Revenues by Source – Governmental Activities



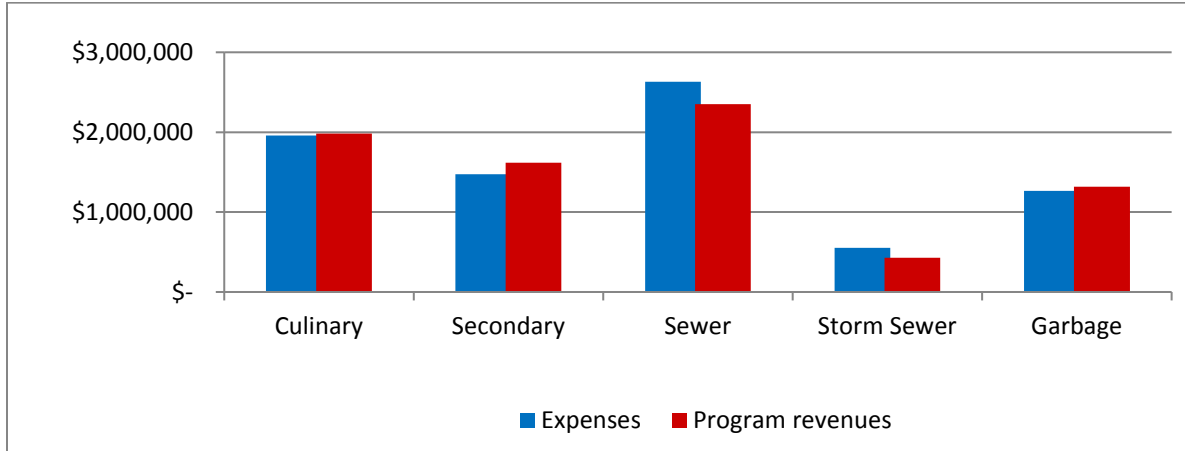
Business-type activities. Business-type activities increased Syracuse City's net position by \$3,684,587 in the current fiscal year. At the end of the current fiscal year, all of the City's business-type funds reported a positive net position. Key elements of this change include:

- User fee revenue from culinary water, secondary water, sewer, storm sewer and garbage services had an increase of \$555,053. This was mainly due to new homes paying for utility services and an increase in the sewer rate of \$3.00/month per user.
- Capital contributions totaling \$2,625,630 were donated from developers for new development during fiscal year 2017 including culinary & secondary water pipes, sewer lines, storm drains, and secondary water shares for new development.

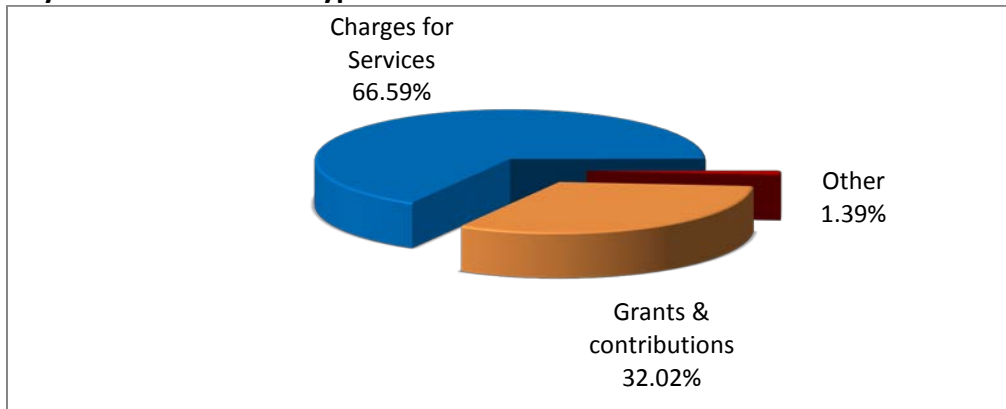
SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

The following graphs display a different perspective on business-type activities reflected in the City's statement of activities:

Expenses and Charges for Services – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, Syracuse City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2017, the City's governmental funds reported combined ending fund balances of \$9,588,410, an increase of \$1,915,635 from the prior year. There are five components of funds balance; nonspendable, restricted, committed, assigned, and unassigned. The nonspendable fund balance of \$63,872 includes items that are prepaid expenses and

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

inventory. The restricted fund balance totaling \$4,388,019 is funds that must be spent for specific purposes and are externally restricted. Committed fund balances are not restricted, but require council approval before monies can be spent. The City does not have any committed fund balances at June 30, 2017. The assigned fund balance of \$2,686,323 is unrestricted in nature but has been assigned internally by management for a specific or intended use. Finally, unassigned fund balance of \$2,450,196 is available for spending at the City's discretion and has not been assigned for a specific purpose.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance, which includes unassigned, assigned, and committed fund balances, of the General Fund was \$3,154,834, while the total fund balance was \$6,634,082. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund revenues totaling \$13,164,842. Unrestricted fund balance represents 24.0% of total general fund revenues, while total fund balance represents 50.4% of that same amount.

During the fiscal year, the fund balance of Syracuse City's general fund increased by \$655,306. Key factors in the change are as follows:

- Class C roads funds increased by \$207,048 due to the State of Utah approving a gas tax increase that went into effect on January 1, 2016. This was the first full year of taxes received at the City. Davis County citizens also voted for a ¼ cent sales tax increase that is dedicated to roads and transportation in the county. Syracuse City's portion of this sales tax increase was 0.1 cents.
- Sales tax revenue increased 7.1% or \$249,147 over the previous fiscal year while franchise taxes increased 6.6% or \$95,909.

The fund balance of the Capital Improvement Fund increased by \$1,152,726 over the prior year. This increase was mainly due to the City transferring \$1,000,000 of surplus funds from the General Fund to be used for future capital projects.

The fund balance of the Redevelopment Fund increased by \$106,633, while the Municipal Building Authority Fund balance increased by \$970. The increase in the Redevelopment Fund was due to tax increment revenue exceeding budgeted costs for fiscal year 2017.

Proprietary funds. Syracuse City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the culinary water fund at the end of the fiscal year 2017 was \$1,308,112, for the sewer utility fund the unrestricted net position was \$1,495,948, for the garbage utility fund the unrestricted net position was \$528,320, for the secondary water utility fund the unrestricted net position was \$1,901,125, and for the storm water utility fund the unrestricted net position was \$416,628. The change in net position for the five utility funds were as follows: Culinary water utility fund increased \$793,661, sewer utility fund increased \$35,161, garbage utility fund increased \$81,097, secondary water utility fund increased \$2,321,103, and storm water utility fund increased \$432,262.

Operating revenues for the Culinary Water Utility Fund decreased 1.7% or \$34,874 from the prior year. Operating expenses decreased 0.5% or \$9,514. The decrease in revenue is primarily due to a community development block grant the City received in fiscal year 2016 of \$135,000. The city did not receive this grant in fiscal year 2017. The decrease in expense was minimal and was a result of lower expenses for system maintenance.

Operating revenues for the Sewer Utility Fund increased 18.1% or \$361,524 from the prior year. Expenses increased 21.0% or \$456,477. This increase in revenue and expense is mainly attributed to a \$3.00 increase in sewer collection fees per user and an increase in disposal fees paid to the sewer district.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Operating revenues for the Garbage Utility Fund increased by 4.0% or \$51,886. Expenses decreased by 4.3% or \$11,660 over prior year. The increase in revenues was primarily due to an increase in number of customers in the collection system. The decrease in expenses was minimal.

Operating revenues for the Secondary Water Utility Fund increased by 2.3% or \$37,150. Expenses increased 0.8% or \$11,858. These increases are primarily due to an increase in number of customers in the secondary water system.

Operating revenues and expenses for the Storm Water Utility Fund increased by 2.4% or \$10,199. Expenses increased 2.1% or \$11,260. These increases are primarily due to an increase in number of customers in the utility system.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and other financing uses was amended from an original total of \$13,236,629 to a final budget of \$13,189,929, a decrease of \$46,700. Some of the more significant changes to expenditure items are as follows:

- Increase in expenditure for various Class C road projects totaling \$227,000.
- Decrease in expenditure of \$396,000 for various park improvement projects.
- Increase in expenditure of \$70,000 for capital projects related to transportation impact fees.
- Increase in various other department expenditures totaling approximately \$52,000.

Budget to actual. At the conclusion of the fiscal year, there were some differences between final budgeted revenues and expenditures and actual results. Most revenue classifications actual revenue amounts were right on target with the budgeted amounts except for intergovernmental revenue, franchise taxes, and impact fees. The impact fee revenue exceeded budgeted amounts by \$34,755. This is mainly due to higher than expected development of new homes in Syracuse. The Intergovernmental revenue and franchise taxes revenue exceeded budgeted amounts by \$58,725 and \$64,870, respectively, due to higher than anticipated tax revenue. The remaining revenue accounts combined all came within \$60,933 of the budgeted amounts. In total, general fund revenue exceeded budget expectations by \$219,283, while general fund expenditures came in \$2,347,497 below budgeted amounts. This was mainly attributable to capital projects and park projects that were still under construction at fiscal year-end.

Capital Assets and Debt Administration

Capital assets. Syracuse City's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$120,209,958 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$4,619,163 or 4.0% (a 5.3% increase totaling \$3,059,657 for governmental activities and a 2.7% increase totaling \$1,559,506 for business-type activities). Major capital asset events during the current fiscal year include the following:

- Land donated from developer for a future regional park - \$3,510,000.
- Infrastructure from developers through acceptance of new subdivision, \$2,390,424. Includes curb, gutter, sidewalks, roads, culinary water lines, secondary water lines, sewer lines, storm drains, and land drains.
- Secondary water stock for new development - \$1,008,000.
- Marilyn Acres Phase III improvements - \$626,908.
- Monterey Estates Trail - \$280,736.
- Tuscany Park Improvements - \$140,041.
- Rock Creek Park Improvements - \$117,912.
- Right of way land acquisition - \$164,615.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

- 2000 West culinary and secondary waterlines - \$375,000.
- Various equipment and capital improvements - \$604,054.
- Depreciation expense on existing assets – \$4,600,046.

Syracuse City Corporation's Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Water shares/rights	\$ -	\$ -	\$ 12,393,645	\$ 11,375,645	\$ 12,393,645	\$ 11,375,645
Land	11,102,678	7,438,889	46,433	46,433	11,149,111	7,485,322
Construction in progress	153,566	552,333	602,087	612,456	755,653	1,164,789
Land improvements	3,665,232	3,066,723	749,326	769,420	4,414,558	3,836,143
Buildings and structures	14,285,498	15,002,804	494,870	518,721	14,780,368	15,521,525
Equipment, vehicles, and furnishings	1,623,864	1,763,659	402,774	439,834	2,026,638	2,203,493
Infrastructure	29,580,723	29,527,496	45,109,262	44,476,382	74,689,985	74,003,878
Total	<u>\$ 60,411,561</u>	<u>\$ 57,351,904</u>	<u>\$ 59,798,397</u>	<u>\$ 58,238,891</u>	<u>\$ 120,209,958</u>	<u>\$ 115,590,795</u>

Additional information on Syracuse City's capital assets can be found in note 5 on pages 43-44 of this report.

Long-term debt. At the end of the current fiscal year, the City's blended component unit, the Municipal Building Authority of Syracuse City (MBA), had total bonded debt outstanding of \$10,397,000. The bonds were issued for the purpose of financing the construction of a new city hall, a public works addition, remodel of the police station and construction of a new city fire station. The bonds mature in 2028 with principal payments due annually in March. Interest is due semi-annually in March and September.

In April 2016, the City elected to refinance its 2006, 2012, and 2014 MBA bonds to take advantage of lower interest rates in the market. With the 2016 bond refinance, the City secured a 1.9% fixed interest rate over the remaining life of the bonds and consolidated the debt into one single issue. The estimated net present value savings the City will recognize over the remaining life of the bond is \$711,500.

Syracuse City Corporation's Outstanding debt

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
2016 MBA Lease Revenue Refunding	\$ 10,397,000	\$ 11,246,000	\$ -	\$ -	\$ 10,397,000	\$ 11,246,000
Capital Lease - Police Vehicles	203,467	302,775	-	-	203,467	302,775
Capital Lease - Street Lights	282,356	363,151	-	-	282,356	363,151
Total	<u>\$ 10,882,823</u>	<u>\$ 11,911,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,882,823</u>	<u>\$ 11,911,926</u>

Additional information on Syracuse City's long-term debt activity can be found in note 8 on pages 45-47 of this report.

Economic Factors and Next Year's Budgets

Sales tax revenues for the fiscal year ended June 30, 2017 was 7.1% or \$249,147 higher than the previous year. It is expected that sales tax revenue will continue to increase as the economy continues to grow and expand. Construction of new homes has been in line with expectations and revenues associated with residential construction have closely followed budgeted amounts for fiscal year 2017. The city anticipates that new construction will continue and that building permits revenue in fiscal year 2018 will be comparable to the amounts in fiscal year 2017. The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services for June 2017 was 3.1%. This is slightly lower when compared to the unemployment rate of 3.4% for June 2016. The rate reported for the State of Utah for June 2017 was 3.4%. These compare favorably to the national seasonally adjusted

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics for June 2017 of 4.4%. County and state unemployment rates have decreased slightly over the past year. The City anticipates that unemployment rates will continue to stay low in the next few years.

These factors along with other economic factors were considered in preparing the 2018 fiscal year budget.

Request for Information

This financial report is designed to provide a general overview of Syracuse City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 1979 West 1900 South, Syracuse, Utah 84075. The report is also posted on the City's website at www.syracuseut.com.

BASIC FINANCIAL STATEMENTS

SYRACUSE CITY
STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,443,167	\$ 5,976,803	\$ 10,419,970
Receivables:			
Taxes	3,045,768	-	3,045,768
Accounts, net	97,147	717,448	814,595
Intergovernmental	292,807	-	292,807
Internal balances	(76,619)	76,619	-
Prepays	4,545	-	4,545
Inventories	59,327	52,521	111,848
Restricted Cash and cash equivalents	4,917,262	2,666,067	7,583,329
Capital assets not being depreciated:			
Water shares/rights	-	12,393,645	12,393,645
Land	11,102,678	46,433	11,149,111
Construction in progress	153,566	602,087	755,653
Capital assets, net of accumulated depreciation:			
Land improvements	3,665,232	749,326	4,414,558
Buildings and structures	14,285,498	494,870	14,780,368
Equipment, vehicles, and furnishings	1,623,864	402,774	2,026,638
Infrastructure	29,580,723	45,109,262	74,689,985
Net Pension asset	15,923	1,961	17,884
Total Assets	73,210,888	69,289,816	142,500,704
Deferred Outflows of Resources			
Deferred charge on refunding	190,549	-	190,549
Deferred outflows relating to pensions	1,378,603	169,732	1,548,335
Total Deferred Outflows of Resources	1,569,152	169,732	1,738,884
Total Assets and Deferred Outflows of Resources	\$ 74,780,040	\$ 69,459,548	\$ 144,239,588

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2017

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 344,313	\$ 956,954	\$ 1,301,267
Accrued liabilities	168,450	19,875	188,325
Accrued interest payable	62,342	-	62,342
Unearned revenue	44,415	-	44,415
Developer and customer deposits - restricted asset	477,826	217,137	694,963
Noncurrent liabilities:			
Due within one year	1,121,812	9,057	1,130,869
Due in more than one year	10,351,368	59,016	10,410,384
Net pension liability	2,106,024	259,291	2,365,315
Total Liabilities	14,676,550	1,521,330	16,197,880
Deferred Inflows of Resources			
Deferred revenue - property taxes	2,112,914	-	2,112,914
Deferred inflows relating to pensions	449,217	55,307	504,524
Total Deferred Inflows of Resources	2,562,131	55,307	2,617,438
Net Position			
Net investment in capital assets	49,719,287	59,798,397	109,517,684
Restricted for:			
Impact fees	3,415,376	2,357,762	5,773,138
Community development	972,643	-	972,643
Unrestricted	3,434,053	5,726,752	9,160,805
Total Net Position	\$ 57,541,359	\$ 67,882,911	\$ 125,424,270

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-type	Total
Functions/Programs	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
Government Activities							
General governmental	\$ 2,816,906	\$ 1,686,572	\$ -	\$ 3,510,000	\$ 2,379,666	\$ -	\$ 2,379,666
Public safety	4,640,066	502,505	146,030	62,833	(3,928,698)	-	(3,928,698)
Highways and public improvements	3,313,400	240,284	278,937	2,567,449	(226,730)	-	(226,730)
Parks and recreation	1,711,853	617,590	-	666,511	(427,752)	-	(427,752)
Interest on long-term debt	240,796	-	-	-	(240,796)	-	(240,796)
Total Governmental Activities	12,723,021	3,046,951	424,967	6,806,793	(2,444,310)	-	(2,444,310)
Business-type Activities							
Culinary Water	1,957,655	1,984,111	49,506	663,168	-	739,130	739,130
Sewer	2,630,274	2,352,115	-	289,000	-	10,841	10,841
Garbage	1,266,547	1,315,827	-	-	-	49,280	49,280
Secondary Water	1,472,424	1,619,047	-	2,157,995	-	2,304,618	2,304,618
Storm Water	552,972	430,218	-	543,106	-	420,352	420,352
Total Business-type Activities	7,879,872	7,701,318	49,506	3,653,269	-	3,524,221	3,524,221
Total Government	\$ 20,602,893	\$ 10,748,269	\$ 474,473	\$ 10,460,062	(2,444,310)	3,524,221	1,079,911
General Revenues							
Property taxes					2,661,024	-	2,661,024
Sales taxes					3,768,733	-	3,768,733
Franchise taxes					1,544,870	-	1,544,870
Interest income					101,365	75,181	176,546
Miscellaneous					174,206	48,585	222,791
Gain on sale of capital assets					3,516	36,600	40,116
Total General Revenues					8,253,714	160,366	8,414,080
Changes in Net Position					5,809,404	3,684,587	9,493,991
Net Position, Beginning					51,731,955	64,198,324	115,930,279
Net Position, Ending					\$ 57,541,359	\$ 67,882,911	\$ 125,424,270

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2017

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,320,938	\$ -	\$ 4,640	\$ 1,977,045	\$ 4,302,623
Receivables:					
Taxes	2,963,859	81,909	-	-	3,045,768
Accounts receivable, net	97,147	-	-	-	97,147
Intergovernmental	292,807	-	-	-	292,807
Prepays	4,545	-	-	-	4,545
Inventory	59,327	-	-	-	59,327
Restricted cash and cash equivalents	3,944,619	972,643	-	-	4,917,262
Total Assets	\$ 9,683,242	\$ 1,054,552	\$ 4,640	\$ 1,977,045	\$ 12,719,479
Liabilities					
Accounts payable	\$ 331,294	\$ -	\$ -	\$ -	\$ 331,294
Accrued liabilities	164,620	-	-	-	164,620
Unearned revenue	44,415	-	-	-	44,415
Payables from restricted assets- Developer and customer deposits	477,826	-	-	-	477,826
Total Liabilities	1,018,155	-	-	-	1,018,155
Deferred Inflows of Resources					
Unavailable revenue - property taxes	2,031,005	81,909	-	-	2,112,914
Total Deferred Inflows of Resources	2,031,005	81,909	-	-	2,112,914
Fund Balances					
Nonspendable					
Prepays	4,545	-	-	-	4,545
Inventory	59,327	-	-	-	59,327
Restricted					
Impact fees	3,415,376	-	-	-	3,415,376
Community development	-	972,643	-	-	972,643
Assigned					
Park maintenance	123,387	-	-	-	123,387
Street lighting	66,121	-	-	-	66,121
Road maintenance	515,130	-	-	-	515,130
MBA fund	-	-	4,640	-	4,640
Capital projects	-	-	-	1,977,045	1,977,045
Unassigned	2,450,196	-	-	-	2,450,196
Total Fund Balances	6,634,082	972,643	4,640	1,977,045	9,588,410
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,683,242	\$ 1,054,552	\$ 4,640	\$ 1,977,045	\$ 12,719,479

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 9,588,410
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	60,411,561
Accrued interest is not recorded in the funds.	(62,342)
Long-term liabilities, including bond payable and compensated absences, are not due and payable in the current period and therefore are not recorded in the funds.	(11,473,180)
Deferred outflows relating to the loss on refunding of debt is not current available resources and therefore is not included in the governmental funds.	190,549
Pension liabilities, pensions assets, and deferred inflows and outflows of resources relating to pensions are not current available resources, and are therefore not included in the governmental funds.	(1,136,583)
Internal service funds are used by management to charge the costs of information technology to other funds. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position. This is the net effect of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund.	22,944
Net position - governmental activities	<u><u>\$ 57,541,359</u></u>

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2017

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Revenues					
Taxes	\$ 7,462,485	\$ 512,142	\$ -	\$ -	\$ 7,974,627
Licenses and permits	780,813	-	-	-	780,813
Intergovernmental	1,412,688	-	-	8,000	1,420,688
Fines and forfeitures	213,007	-	-	-	213,007
Charges for services	2,016,114	-	-	-	2,016,114
Impact fees	993,505	-	-	-	993,505
Management fees	37,017	-	-	-	37,017
Lease revenue	-	-	855,000	-	855,000
Interest	79,402	10,373	810	9,464	100,049
Miscellaneous	169,811	4,395	-	-	174,206
Total Revenues	13,164,842	526,910	855,810	17,464	14,565,026
Expenditures					
Current:					
General government	1,991,811	-	-	-	1,991,811
Public safety	4,191,455	-	-	-	4,191,455
Highways and public improvements	1,488,659	-	-	-	1,488,659
Parks and recreation	1,335,993	-	-	3,767	1,339,760
Redevelopment	-	489,882	-	-	489,882
Lease payment	855,000	-	-	-	855,000
Miscellaneous	-	-	2,610	-	2,610
Debt service:					
Principal	80,795	-	849,000	99,308	1,029,103
Interest	10,759	-	212,330	4,905	227,994
Capital outlay	887,960	-	-	201,758	1,089,718
Total Expenditures	10,842,432	489,882	1,063,940	309,738	12,705,992
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,322,410	37,028	(208,130)	(292,274)	1,859,034
Other Financing Sources (Uses)					
Transfer in	-	69,605	209,100	1,445,000	1,723,705
Transfer out	(1,723,705)	-	-	-	(1,723,705)
Sale of capital assets	56,601	-	-	-	56,601
Total Other Financing Sources (Uses)	(1,667,104)	69,605	209,100	1,445,000	56,601
Net Change in Fund Balances	655,306	106,633	970	1,152,726	1,915,635
Fund Balance, Beginning	5,978,776	866,010	3,670	824,319	7,672,775
Fund Balance, Ending	\$ 6,634,082	\$ 972,643	\$ 4,640	\$ 1,977,045	\$ 9,588,410

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 1,915,635
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,794,544)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	1,089,718
Governmental funds do not report contributions of infrastructure from developers as a revenue in the governmental statements. It is recorded as part of the entity wide presentation.	4,817,567
Government funds have proceeds from the sale of assets as revenue. However, the statement of activities reports the gain or loss on the sale of assets.	(53,085)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amounts is the net effect of these differences in the treatment of long-term debt and related items:	1,029,103
The Statement of Activities reports net pension expense and benefit expense from application of GASB 68 which is not reported in the fund statements.	(118,775)
In the statement of activities, accrued interest on debt is recorded.	4,521
The Statement of Activities reports the allocation of the deferred loss on bond refunding as interest expense which is not reported on the fund statements.	(17,323)
The long-term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	(78,933)
Internal service funds are used by management to charge the costs of information technology to individual funds. The net revenues or (costs) of these activities are eliminated at the government-wide level and a portion is allocated to the governmental activities.	15,520
Change in net position - governmental activities	<u><u>\$ 5,809,404</u></u>

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Assets							
Current Assets							
Cash and cash equivalents	\$ 1,469,800	\$ 1,487,274	\$ 492,611	\$ 2,114,751	\$ 412,367	\$ 5,976,803	\$ 140,544
Accounts receivable, net	190,287	211,513	129,526	145,548	40,574	717,448	-
Inventories	34,335	-	7,896	-	10,290	52,521	-
Total Current Assets	1,694,422	1,698,787	630,033	2,260,299	463,231	6,746,772	140,544
Noncurrent Assets							
Restricted cash and cash equivalents	898,639	91,168	-	658,101	1,018,159	2,666,067	-
Capital assets:							
Water shares/rights	363,750	-	-	12,029,895	-	12,393,645	-
Land	20,308	-	-	26,125	-	46,433	-
Land improvements	-	-	-	1,004,658	-	1,004,658	-
Buildings and structures	56,700	-	-	681,500	-	738,200	-
Equipment, vehicles, and furnishings	814,164	397,570	-	312,726	-	1,524,460	-
Construction in process	250,000	-	-	298,469	53,618	602,087	-
Deliver/Collection system	21,337,838	16,843,648	-	15,209,636	12,317,534	65,708,656	-
Less accumulated depreciation	(7,053,498)	(4,547,041)	-	(5,715,458)	(4,903,745)	(22,219,742)	-
Net pension asset	770	416	-	474	301	1,961	331
Total Noncurrent Assets	16,688,671	12,785,761	-	24,506,126	8,485,867	62,466,425	331
Total Assets	18,383,093	14,484,548	630,033	26,766,425	8,949,098	69,213,197	140,875
Deferred Outflows of Resources							
Deferred outflows relating to pensions	66,669	36,016	-	41,009	26,038	169,732	28,661
Total Assets, and Deferred Outflows of Resources	\$ 18,449,762	\$ 14,520,564	\$ 630,033	\$ 26,807,434	\$ 8,975,136	69,382,929	\$ 169,536

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Liabilities							
Current Liabilities							
Accounts payable	\$ 302,342	\$ 243,214	\$ 101,545	\$ 298,405	\$ 11,448	\$ 956,954	\$ 13,020
Compensated absences	2,707	2,182	-	2,836	1,332	9,057	-
Accrued liabilities	7,551	4,075	168	4,835	3,246	19,875	3,830
Total Current Liabilities	<u>312,600</u>	<u>249,471</u>	<u>101,713</u>	<u>306,076</u>	<u>16,026</u>	<u>985,886</u>	<u>16,850</u>
Noncurrent Liabilities							
Compensated absences	17,578	14,213	-	18,569	8,656	59,016	-
Customer deposits - payable from restricted assets	107,751	-	-	-	109,386	217,137	-
Net pension liability	101,847	55,019	-	62,649	39,776	259,291	43,785
Total Noncurrent Liabilities	<u>227,176</u>	<u>69,232</u>	<u>-</u>	<u>81,218</u>	<u>157,818</u>	<u>535,444</u>	<u>43,785</u>
Total Liabilities	<u>539,776</u>	<u>318,703</u>	<u>101,713</u>	<u>387,294</u>	<u>173,844</u>	<u>1,521,330</u>	<u>60,635</u>
Deferred Inflows of Resources							
Deferred inflows relating to pensions	21,724	11,736	-	13,363	8,484	55,307	9,339
Total Liabilities, and Deferred Inflows of Resources	<u>561,500</u>	<u>330,439</u>	<u>101,713</u>	<u>400,657</u>	<u>182,328</u>	<u>1,576,637</u>	<u>69,974</u>
Net Position							
Net invested in capital assets	15,789,262	12,694,177	-	23,847,551	7,467,407	59,798,397	-
Restricted for impact fees	790,888	-	-	658,101	908,773	2,357,762	-
Unrestricted	1,308,112	1,495,948	528,320	1,901,125	416,628	5,650,133	99,562
Total Net Position	<u>\$ 17,888,262</u>	<u>\$ 14,190,125</u>	<u>\$ 528,320</u>	<u>\$ 26,406,777</u>	<u>\$ 8,792,808</u>	<u>67,806,292</u>	<u>\$ 99,562</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						<u>76,619</u>	
Net position of business-type activities (page 19)						<u>\$ 67,882,911</u>	

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Operating Revenues							
Charges for services:							
Monthly service charge	\$ 1,889,013	\$ 2,266,015	\$ 1,315,827	\$ 1,532,397	\$ 430,218	\$ 7,433,470	\$ 311,249
Connection and servicing fees	95,098	86,100	-	86,650	-	267,848	-
Intergovernmental	49,506	-	-	-	-	49,506	-
Miscellaneous	7,940	9,971	28,585	1,639	450	48,585	-
Total Operating Revenues	2,041,557	2,362,086	1,344,412	1,620,686	430,668	7,799,409	311,249
Operating Expenses							
Salaries, wages, and benefits	355,815	184,084	2,643	249,329	134,267	926,138	166,172
Operations and maintenance	569,689	151,765	79,982	468,282	159,870	1,429,588	109,570
Professional services	452,525	1,773,133	1,185,697	327,991	-	3,739,346	-
Depreciation	589,932	522,942	-	432,148	260,481	1,805,503	-
Miscellaneous	346	125	-	-	129	600	-
Total Operating Expenses	1,968,307	2,632,049	1,268,322	1,477,750	554,747	7,901,175	275,742
Operating Income (Loss)	\$ 73,250	\$ (269,963)	\$ 76,090	\$ 142,936	\$ (124,079)	\$ (101,766)	\$ 35,507

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Nonoperating Income (Expense)							
Interest income	\$ 20,643	\$ 16,124	\$ 5,007	\$ 20,172	\$ 13,235	\$ 75,181	\$ 1,316
Gain (loss) from sale of capital assets	36,600	-	-	-	-	36,600	-
Total Nonoperating Income (Expense)	57,243	16,124	5,007	20,172	13,235	111,781	1,316
Income (loss) before capital contributions	130,493	(253,839)	81,097	163,108	(110,844)	10,015	36,823
Capital Contributions:							
Impact fees	290,882	-	-	353,274	376,482	1,020,638	-
Developer contributions	372,286	289,000	-	1,804,721	166,624	2,632,631	-
Change in Net Position	793,661	35,161	81,097	2,321,103	432,262	3,663,284	36,823
Net Position, Beginning	17,094,601	14,154,964	447,223	24,085,674	8,360,546		62,739
Net Position, Ending	\$ 17,888,262	\$ 14,190,125	\$ 528,320	\$ 26,406,777	\$ 8,792,808		\$ 99,562
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						21,303	
Changes in net position of business-type activities (page 20)						\$ 3,684,587	

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Cash Flows From Operating Activities							
Receipts from customers and users	\$ 2,054,651	\$ 2,331,035	\$ 1,338,061	\$ 1,594,266	\$ 428,095	\$ 7,746,108	\$ 800
Receipts from interfund services provided	990	1,430	600	27,084	1,297	31,401	311,249
Receipts from customer deposits	8,616	-	-	-	9,092	17,708	-
Payments to suppliers of goods or services	(712,945)	(1,843,462)	(1,267,658)	(460,913)	(132,375)	(4,417,353)	(121,374)
Payments to employees and related benefits	(338,468)	(177,418)	(13,941)	(247,922)	(140,876)	(918,625)	(164,320)
Payments for interfund services used	(224,893)	(134,936)	(24,988)	(199,904)	(135,936)	(720,657)	-
Net cash flows from operating activities	787,951	176,649	32,074	712,611	29,297	1,738,582	26,355
Cash Flows From Capital and Related Financing Activities							
Acquisition and construction of capital assets	(678,099)	(159,190)	-	97,574	(105,163)	(844,878)	-
Proceeds from sale of capital assets	149,100	-	-	-	-	149,100	-
Capital grants	135,000	-	-	-	4,295	139,295	-
Impact fees received	290,882	-	-	353,274	376,482	1,020,638	-
Net cash flows from capital and related financing activities	(103,117)	(159,190)	-	450,848	275,614	464,155	-
Cash Flows From Investing Activities							
Interest on investments	20,643	16,124	5,007	20,172	13,235	75,181	1,316
Net cash flows from investing activities	20,643	16,124	5,007	20,172	13,235	75,181	1,316
Net Increase (Decrease) In Cash and Cash Equivalents	705,477	33,583	37,081	1,183,631	318,146	2,277,918	27,671
Cash and Cash Equivalents, Beginning	1,662,962	1,544,859	455,530	1,589,221	1,112,380	6,364,952	112,873
Cash and Cash Equivalents, Ending	\$ 2,368,439	\$ 1,578,442	\$ 492,611	\$ 2,772,852	\$ 1,430,526	\$ 8,642,870	\$ 140,544

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Reconciliation of operating income to net cash flows from operating activities							
Earnings (loss) from operations	\$ 73,250	\$ (269,963)	\$ 76,090	\$ 142,936	\$ (124,079)	\$ (101,766)	\$ 35,507
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation	589,932	522,942	-	432,148	260,481	1,805,503	-
Changes in assets and liabilities							
Accounts receivable, net	14,084	(29,621)	(5,751)	664	(1,276)	(21,900)	800
Inventories	(2,744)	-	8,158	-	(10,290)	(4,876)	-
Accounts payable	97,805	(48,007)	(32,783)	145,710	(88,648)	74,077	(8,089)
Compensated absences	2,735	2,049	(787)	1,484	465	5,946	-
Net pension asset	651	464	360	710	691	2,876	431
Deferred outflows relating to pensions	(24,688)	(10,024)	10,626	(6,018)	3,278	(26,826)	(6,134)
Accrued liabilities	(10,339)	(5,368)	(2,342)	(10,254)	(9,374)	(37,677)	(3,715)
Customer deposits	8,616	-	-	-	9,092	17,708	-
Net pension liability	30,492	10,841	(18,062)	3,176	(10,053)	16,394	5,496
Deferred inflows relating to pensions	8,157	3,336	(3,435)	2,055	(990)	9,123	2,059
Net cash flows from operating activities	<u>\$ 787,951</u>	<u>\$ 176,649</u>	<u>\$ 32,074</u>	<u>\$ 712,611</u>	<u>\$ 29,297</u>	<u>\$ 1,738,582</u>	<u>\$ 26,355</u>
Schedule of non-cash capital and related financing activities							
Contributions of capital assets	\$ 372,286	\$ 289,000	\$ -	\$ 1,804,721	\$ 166,624	\$ 2,632,631	\$ -

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Syracuse (the City) are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB.

The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The City is incorporated under the constitutional provisions of the State of Utah. The City operates under a Council- Mayor form of government. The Mayor and the five council members are elected at large with staggered terms. The Mayor is the administrative authority by statute. However, in Syracuse City, that responsibility has been delegated to the City Manager. Council has budgetary authority over all city departments and is accountable for all fiscal matters. City sales taxes, property taxes, utility user fees and development impact fees fund the majority of the costs of providing services to citizens including general administrative, judicial services (justice court), planning and zoning, public safety (police and fire), public utilities (culinary water, secondary water, sewer, storm water and garbage collection), highways and streets, parks-recreation, and public improvements.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the following component units:

Blended Component Units - Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The reporting entity of these financial statements includes the Syracuse City Redevelopment Agency (RDA), and the Municipal Building Authority of Syracuse (MBA).

The RDA is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows the City to gather property tax increment dollars from increased property values to pay for improvements in designated redevelopment areas. Activities for the RDA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the RDA. The RDA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

Municipal Building Authority of Syracuse (MBA) is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows municipal facilities to be funded without requiring a vote of citizens. The MBA, as a separate entity, borrows monies and constructs municipal facilities which it owns. The City leases the structures from the MBA. These lease payments provide the revenue stream for the MBA to make the debt payments as they come due. The facilities are deeded to the government entity at the time the debt is extinguished. Activities for the MBA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the MBA. The MBA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

SYRACUSE CITY NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements - The government-wide statements present information on all activities of the primary government and its blended component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of inter-fund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities and amounts of interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The *Statement of Net Position* presents the City's assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable within a specific function. The City does allocate insurance, legal fees, and other entity-wide expenses to individual funds. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental* and *proprietary funds*.

GASB 34 introduced the concept of *major funds* to the fund statements. Because governments typically have too many funds to include information on each individual fund with the basic financial statements, criteria has been established to identify those funds that are reported in separate columns (*major funds*) and those that are grouped together (*non-major funds*). Syracuse City has chosen to present each of the funds in separate columns and thus designated all of its funds as "major". The Information Technology Fund, RDA Fund, MBA Fund, and Capital Projects Fund did not meet the criteria of a "*major fund*".

Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund statements are also prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following governmental funds:

- General Fund – This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.
- RDA Fund – This special revenue fund accounts for all activities of the Syracuse City Redevelopment Agency. This fund is used to account for the property tax increment received for redevelopment.
- MBA Fund – This special revenue fund accounts for all activities of the Municipal Building Authority of Syracuse. The fund's revenue source is provided by lease payments made by the City.
- Capital Projects Fund – This fund accounts for the monies that are being accumulated to provide additional City facilities as growth creates specific needs.

The City reports the following proprietary funds:

- Secondary Water Fund – This fund accounts for the operations of the pressurized irrigation system throughout the City.
- Culinary Water Fund – This fund accounts for the operation of the culinary water service of the City.
- Sewer Fund – This fund accounts for the maintenance of the city portion of the North Davis Sewer District collection system.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

- Garbage Fund – The fund accounts for the costs of the system of garbage collection and disposition.
- Storm Sewer – This fund accounts for the maintenance and construction of storm sewers throughout the City.

The City reports the following internal service fund:

- Information Technology/Internal Service Fund – Internal Service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City maintains an information technology fund to allocate such costs to the various departments and funds of the City. This fund is reported on the proprietary fund statements but is combined with governmental activities on the government-wide statements.

Budgeting and Budgetary Control

Annual budgets are prepared and adopted before June 22nd for the calendar year commencing the following July 1st in accordance with the Uniform Fiscal Procedures Act for Utah Cities. Once a budget has been adopted, it remains in effect until it has been formally revised. If any obligations are contracted for in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Adopting the Annual Budget - Each Spring the budget officer submits a tentative operating budget to the City Council for the calendar year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. The tentative operating budget is reviewed and tentatively adopted by the City Council they also set a date for a public hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection ten days prior to the budget hearing. After the budget hearing, the tentative budget, with any amendments is legally enacted through passage of a resolution. A copy of the budget is certified by the budget officer and filed with the State Auditor within thirty days of adoption. A copy of the budget is available to the public after adoption.

Control of budgeted expenditures is exercised, under state law, at the department level. Administrative control is maintained through detailed line-item budgets for all departments. All appropriations lapse at the end of the calendar year. Budgets for the General Fund, special revenue, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Budgets for proprietary funds are not legally required.

Modifying the Adopted Budget - Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Council. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the City Council will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During the year the City modified various budgets using the above procedure.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position

Cash and Investments - Cash and cash equivalents consist of demand deposits with a local bank. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. The City invests any cash that is not anticipated to be required within two weeks in the Public Treasurers Investment Fund (PTIF) administered by the State of Utah Treasurer's Office. Original maturities with PTIF are considered to be less than three months, thus, all deposits and investments are recorded at cost which is also considered to be fair value.

Accounts Receivable - Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established. Accounts Receivable from utility customers is offset by an allowance of estimated uncollectible accounts.

Taxes Receivable - Taxes receivable include accrued amounts for sales tax and property tax.

Sales tax collected on retail sales throughout the state, are forwarded to the Utah State Tax Commission. These taxes are processed centrally and distributed according to formula to each unit of government imposing a sales tax at the end of the second month after they have been collected by the retailer.

The property tax year runs from Jan 1st – Dec 31st of each year. Governing bodies actually establish a lien against properties as of the January 1st date even though the taxes are not due until November 30th. Each County bills and collects property taxes for all taxing entities within the County. Collections are distributed to the taxing entities monthly, with final settlement due March 31st of the subsequent year. The City records a receivable for those items actually collected by the County Treasurer but not yet transferred to the City and also the amount that is identified as a lien against the property to fund the coming year's services. This is shown as \$1,848,453 of the taxes receivable and also a deferred inflow of resources.

Prepaid Expenses - Prepaid expenses consist of certain payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements and expensed as the items are used. The City uses the consumption method to record these items as expenditures when they are used rather than when they are purchased.

Inventory – Inventory in the General Fund consists of postage, other post office supplies, and road and street lighting supplies which are priced at cost using the first-in/first out method. Inventory in the enterprise funds consists of materials used in the repair of collection and distribution lines and refuse receptacles which are priced at cost using the first-in/first out method. The City uses the consumption method for inventories, under which inventory items are considered expenditures when used, rather than when purchased.

Due to/Due from other funds - All cash and cash equivalents are accounted for in a pooled cash process. The money from each fund is combined to simplify the banking process. A particular fund may make disbursements of funds that have not physically been received. This technically requires that they draw from other fund's resources within the combined total. When this cash deficit occurs a *due to* account is charged in the funds requiring additional funds and a *due from* account is selected to offset the use of funds.

SYRACUSE CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Capital Assets - The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost where historical cost information is not available. Donated capital assets are recorded at estimated acquisition value on the date of donation.

Capital assets purchased or constructed by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Water Stock is recorded as a capital asset. It is considered a key element of infrastructure rather than an investment instrument. Infrastructure improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Land improvements	30-50
Infrastructure Improvements	30-40
Buildings and structures	30-50
Equipment, vehicles, and furnishings	5 – 20

Capital assets are reported in the applicable governmental or business-type activities columns in the government wide financial statements.

Deferred Outflows/Inflows of Resources – In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two types of items reported under this category. The City reports deferred charges on refunding and deferred outflows related to pensions (discussed below) in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable revenue from property taxes (described more fully in Note 6) and deferred inflows related to pension (discussed below) in this category.

Compensated Absences - City permanent full-time employees accrue vacation leave up to a maximum of 240 hours according to the following schedule:

<u>Years of Service</u>	<u>Hours Accrued Per Pay Period</u>
0 – 4 years	3.08 (10 days per year)
5 – 9 years	3.69 (12 days per year)
10 – 14 years	4.61 (15 days per year)
Over 14 years	6.15 (20 days per year)

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Compensated Absences (Continued) - Employees are allowed to carry up to 240 hours of unused vacation leave each year, and all unused vacation leave is paid to employees upon termination. Employees may also earn compensatory time but only at the discretion of the city manager. The rate is one and one-half hours for each hour worked, with a maximum accrual of 480 hours for public safety employees and 240 hours for all others.

Vacation and compensatory leave are recorded as expenditures when used in governmental funds and as expenses when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Position.

Permanent full-time employees accrue sick leave at a rate of 3.69 hours for each two-week pay-period. Sick leave may accrue to a maximum of 1,040 hours. Sick leave is recorded as an expenditure/expense when used in all funds. Upon retirement, the City will pay the employee for 20% of all unused sick leave hours. The employee who is terminated or resigns shall not be compensated for unused accrued sick leave. The City accrues a sick leave liability for 20% of the sick leave balance of employees estimated to retire within the next five years.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations - In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

Net Position/Fund Balances - The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is *net position* on the government-wide and proprietary fund statements, and *fund balance* on the governmental fund statements.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Fund Financial Statements

In the fund financial statements governmental fund equity is classified as fund balance. Fund Balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned:

- a. Nonspendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. Only the City Council may modify or rescind the commitment.
- d. Assigned fund balance – Amounts that are designated by the Mayor for a specific purpose but are not spendable until budget ordinance is passed by City Council. This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide Statements

The government-wide statements classify net position in three components:

- (1) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, deferred inflows of resources or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- (3) Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures

Following are the City's significant policies related to recognition and reporting of certain revenues and expenditures:

Revenue Availability - Under the *modified accrual basis of accounting*, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Syracuse City considers property tax revenues to be "available" if they are collected by the Treasurer's Tax Collection Agency Fund before year-end. Sales taxes are considered revenue when they have been collected at the point of sale. Grants are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available and susceptible to accrual if they are received within 60 days after year-end.

Expenditure Recognition - In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City generally uses restricted resources first, then unrestricted resources.

NOTE 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents". Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (the Act) in handling its depository transactions. The Act requires all deposits of City funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Utah Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. Utah statutes do not require deposits to be collateralized. Following are discussions of the City's exposure to various risks related to its cash management activities.

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City does not have a formal deposit policy for custodial credit risk. Cash on hand at June 30, 2017 was \$1,152. The carrying amount of deposits was \$951,727 and the bank balance was \$927,481. Of the bank balance, \$250,500 was covered by federal depository insurance and \$676,981 was uninsured and uncollateralized.

SYRACUSE CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Services or Standard & Poor’s; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes and other evidence of indebtedness of political subdivision of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund (PTIF). The PTIF is not registered with the SEC as an investment company.

The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

As of June 30, 2017, all of the \$17,050,420 of City investments were deposited with the PTIF. This investment matures in less than a year and is not rated.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2017, the City had the following cash and investments:

	<u>Carrying Value</u>	<u>Fair Value Factor</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity (Years)</u>
Cash on hand and on deposit:					
Cash on hand	\$ 1,152	1	\$ 1,152	N/A	N/A
Cash on deposit	951,727	1	951,727	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>17,050,420</u>	1.004719	<u>17,130,885</u>	N/A	N/A
Total cash on hand and deposit	<u>\$18,003,299</u>		<u>\$18,083,764</u>		

The fair value measurement of the City’s PTIF investments is considered level 2.

SYRACUSE CITY **NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City’s investments are noted in the table below.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the State’s Money Management Act as previously discussed.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City’s investment in the Utah Public Treasurer’s Investment Fund has no concentration of credit risk.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. The City’s investment in the Utah Public Treasurer’s Investment Fund has no custodial credit risk.

Components of cash and investments (including interest earning deposits) at June 30, 2017 are as follows:

Cash on hand and on deposit:	
Petty Cash	\$ 1,152
Cash on Deposit	951,727
PTIF Investment	<u>17,050,420</u>
Total cash and investments	<u>\$ 18,003,299</u>
 Cash and investments are included in the accompanying combined statement of net position as follows:	
Cash and cash equivalents	\$ 10,419,970
Restricted cash and cash equivalents	<u>7,583,329</u>
Total cash and investments	<u>\$ 18,003,299</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 ACCOUNTS RECEIVABLE, NET & ALLOWANCE FOR DOUBTFUL ACCOUNTS

Fund Type	Outstanding Balance	Allowance for Doubtful Accounts	Net
Governmental Funds	\$ 99,136	\$ (1,989)	\$ 97,147 *
Enterprise Funds	747,343	(29,895)	717,448
Total	<u>\$ 846,479</u>	<u>\$ (31,884)</u>	<u>\$ 814,595</u>

* Governmental fund net accounts receivable balance includes an ambulance receivable booked at \$46,542. The ambulance receivable was booked net of \$41,951 that management has estimated to be uncollectible and/or not available within the 60 day availability period.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2017:

Customer/developer deposits	\$ 694,963
Resident prepaid charges - unearned revenue	44,415
Retainage payable	7,002
Community development	972,643
North Davis Sewer District unremitted impact fee payable	91,168
Impact Fees	5,773,138
Total restricted assets	<u>\$ 7,583,329</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2017, is as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 7,438,889	\$ 3,691,389	\$ (27,600)	\$ 11,102,678
Construction in progress	552,333	1,581,647	(1,980,414)	153,566
Total capital assets, not being depreciated	7,991,222	5,273,036	(2,008,014)	11,256,244
Capital assets, being depreciated				
Land improvements	4,125,736	746,007	-	4,871,743
Buildings and structures	21,519,222	-	-	21,519,222
Equipment, vehicles, and furnishings	5,330,981	298,930	(125,290)	5,504,621
Infrastructure	45,332,269	1,569,726	-	46,901,995
Total capital assets, being depreciated	76,308,208	2,614,663	(125,290)	78,797,581
Less accumulated depreciation for				
Land improvements	(1,059,013)	(147,498)	-	(1,206,511)
Buildings and structures	(6,516,418)	(717,307)	-	(7,233,725)
Equipment, vehicles, and furnishings	(3,567,322)	(413,240)	99,805	(3,880,757)
Infrastructure	(15,804,773)	(1,516,498)	-	(17,321,271)
Total accumulated depreciation	(26,947,526)	(2,794,543)	99,805	(29,642,264)
Total capital assets, being depreciated, net	49,360,682	(179,880)	(25,485)	49,155,317
Governmental activities capital assets, net	<u>\$ 57,351,904</u>	<u>\$ 5,093,156</u>	<u>\$ (2,033,499)</u>	<u>\$ 60,411,561</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 304,079
Public safety	480,113
Highways and public works	1,650,027
Parks and recreation	360,324
Total depreciation expense - governmental activities	<u>\$ 2,794,543</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2017:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Business-type Activities				
Capital assets, not being depreciated				
Water stock/rights	\$ 11,375,645	\$ 1,018,000	\$ -	\$ 12,393,645
Land	46,433	-	-	46,433
Construction in process	612,456	1,179,353	(1,189,722)	602,087
Total capital assets, not being depreciated	12,034,534	2,197,353	(1,189,722)	13,042,165
Capital assets, being depreciated				
Land improvements	1,004,658	-	-	1,004,658
Buildings and structures	738,200	-	-	738,200
Equipment, vehicles, and furnishings	1,468,929	180,531	(125,000)	1,524,460
Infrastructure	63,419,306	2,289,350	-	65,708,656
Total capital assets, being depreciated	66,631,093	2,469,881	(125,000)	68,975,974
Less accumulated depreciation for				
Land improvements	(235,238)	(20,094)	-	(255,332)
Builds and improvements	(219,479)	(23,851)	-	(243,330)
Equipment, vehicles, and furnishings	(1,029,095)	(105,091)	12,500	(1,121,686)
Infrastructure	(18,942,927)	(1,656,467)	-	(20,599,394)
Total accumulated depreciation	(20,426,739)	(1,805,503)	12,500	(22,219,742)
Total capital assets, being depreciated, net	46,204,354	664,378	(112,500)	46,756,232
Business-type activities capital assets, net	<u>\$ 58,238,888</u>	<u>\$ 2,861,731</u>	<u>\$ (1,302,222)</u>	<u>\$ 59,798,397</u>

Depreciation expense was charged to functions/programs as follows:

Business-type activities	
Culinary water	\$ 589,932
Sewer	522,942
Secondary water	432,148
Storm water	260,481
Total depreciation expense - business-type activities	<u>\$ 1,805,503</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 DEFERRED INFLOWS

In conjunction with GASB pronouncement 33, “*Accounting and Financial Reporting for Nonexchange Transactions*” the City has accrued property tax receivable and a deferred inflow in the General Fund and RDA Fund in the amounts of \$2,031,005 and \$81,909, respectively.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 30 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax levied on October 1, 2017 was not expected to be received within 30 days after the year ended June 30, 2017, the City was required to record receivable and deferred inflow of the estimated amount of the total property tax to be levied on October 1, 2017.

NOTE 7 DEVELOPER AND CUSTOMER DEPOSITS

General fund deposits are principally deposits from developers that are held by the City until building projects receive the required City inspections and are in compliance with all City ordinances. As of June 30, 2017, the general fund developer and customer deposits balance held by the City was \$477,826.

Residential utility customers pay a \$100 deposit when they sign up for utilities. This is held by the City until twelve consecutive timely utility payments are made. It is then refunded to the customer. Additionally, the City collects and holds deposits from developers for storm water and fire hydrants. As of June 30, 2017, the customer and developer deposits balances held by the City was \$144,751.

The City also maintains the cash balances for the Storm Water Coalition Trust. As of June 30, 2017 the balance of Storm Water Coalition deposits on had was \$72,386.

NOTE 8 LONG-TERM DEBT

The following is summary of long-term debt transactions of the City for the year ended June 30, 2017:

	Long-term debt payable at June 30, 2016	Additions	Reductions	Long-term debt payable at June 30, 2017	Due within One Year
Governmental activities					
2016 MBA Lease Refunding	\$ 11,246,000	\$ -	\$ (849,000)	\$ 10,397,000	\$ 857,000
Capital Lease - Police Vehicles	302,775	-	(99,308)	203,467	100,916
Capital Lease - Street Lights	363,151	-	(80,795)	282,356	86,946
Total bonds and leases payable	11,911,926	-	(1,029,103)	10,882,823	1,044,862
Compensated absences	511,424	440,999	(362,066)	590,357	76,950
Governmental activity long-term liabilities	\$ 12,423,350	\$ 440,999	\$ (1,391,169)	\$ 11,473,180	\$ 1,121,812
Business-type activities					
Compensated absences	\$ 62,129	\$ 37,397	\$ (31,453)	\$ 68,073	\$ 9,057
Business-type activity long-term liabilities	\$ 62,129	\$ 37,397	\$ (31,453)	\$ 68,073	\$ 9,057

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

2016 MBA Lease Revenue Refunding Bonds

On April 1, 2016, the MBA refinanced the remaining portion of the 2006 MBA Facilities Bond, as well as the 2012 MBA Fire Station Bond and the 2014 MBA Lease Revenue Refunding Bonds, and issued \$11,246,000 in Lease Revenue Refunding bonds, Series 2016. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures; the original purpose of the 2012 bonds was to refund the 2008 bonds, which were used to construct a fire station; and the original purpose of the 2014 bonds was to refund a portion of the 2006 bonds. The refinance provided a debt service savings to the city of \$798,757 and a net savings of \$693,068. The economic gain on this refunding was \$711,440. The lease revenue refunding bonds are due in annual principal installments through April 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate of 1.90%. The security on the bonds are the fire station and lease payments between the MBA and the City. Bond covenants require a debt service coverage ratio (MBA available funds divided by the sum of the MBA's total expenses including principal and interest payments) of at least 1.0 to 1.0.

The annual debt service requirements to maturity for the MBA Lease Revenue Refunding Bonds, Series 2016, as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 857,000	\$ 200,287	\$ 1,057,287
2019	876,000	183,778	1,059,778
2020	894,000	167,360	1,061,360
2021	907,000	149,680	1,056,680
2022	925,000	132,208	1,057,208
2023-2027	4,905,000	386,639	5,291,639
2028	1,033,000	19,954	1,052,954
Total	<u>\$ 10,397,000</u>	<u>\$ 1,239,906</u>	<u>\$ 11,636,906</u>

2014 Capital Lease – Police Vehicles

On November 26, 2014, Syracuse City purchased ten police vehicles and a Code Enforcement truck through a capital lease agreement for \$400,500. The lease has an interest rate of 1.620% with principal and interest payments due annually beginning November 26, 2015 and ending on November 26, 2018. Collateral on this lease is the police vehicles and all additions, and accessories on them. As of June 30, 2017, these assets have a total accumulated depreciation of \$193,575.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2018	\$ 104,212
2019	104,212
Total minimum lease payments	208,424
Less: amount representing interest	(4,957)
Present value of minimum lease payments	<u>\$ 203,467</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

2012 Capital Lease – Street Lights

On April 13, 2012, the City acquired street lights through a capital lease for \$620,268. The lease has an interest rate of 3.15% with principal and interest payments due semi-annually beginning April 13, 2012 and ending April 13, 2020. Collateral on this lease is the various light fixtures, poles and equipment in the street, parks, and parking lots. The historical cost on the various light fixtures, poles and equipment in the street, parks, and parking lots purchased with lease proceeds and supplemented with City funds totaled \$680,440. As of June 30, 2017, these assets have a total accumulated depreciation of \$105,846.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2018	\$ 95,112
2019	100,389
2020	<u>102,775</u>
Total minimum lease payments	298,276
Less: amount representing interest	<u>(15,920)</u>
Present value of minimum lease payments	<u><u>\$ 282,356</u></u>

These lease agreements qualify for capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. All amortization expense for the capital leases has been included in depreciation expense.

NOTE 9 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City. The City had \$1,886,778 in outstanding construction commitments at June 30, 2017, as follows:

<u>Project</u>	<u>Total Contract</u>	<u>Paid/Accrued to Date</u>	<u>Commitment Outstanding</u>
2000 West Improvement Project	\$ 2,051,441	\$ 500,000	\$ 1,551,441
Tuscany Park Improvement Project	433,795	140,041	293,754
Seconday Water Pump Installation Project	<u>90,052</u>	<u>48,469</u>	<u>41,583</u>
Total Construction Commitments Outstanding	<u><u>\$ 2,575,288</u></u>	<u><u>\$ 688,510</u></u>	<u><u>\$ 1,886,778</u></u>

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Previously the City had purchased commercial insurance through the Utah Local Governments Insurance Trust to mitigate the costs of these risks, but beginning in 2017, the City switched to Olympus Insurance. The City's responsibility extends only to the payment of premiums and deductibles on general liability claims. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior four years.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RISK MANAGEMENT (Continued)

The table below illustrates the coverage limits and deductibles for the main areas of risks that the City is exposed to:

	<u>Coverage Limits</u>	<u>Deductible</u>
General Liability	\$ 2,000,000	\$ -
Employee Benefits Liability	2,000,000	1,000 *
Employment Practices Liability	2,000,000	10,000 *
Law Enforcement Liability	2,000,000	10,000 *
Management/Cyber Liability	2,000,000	5,000 *
Automobile Liability	1,000,000	-
Automobile Physical Damage	Under 100,000	500 *
Automobile Physical Damage	Over 100,000	2,500 *
Building	25,579,600	1,000 *
Building Contents	5,199,950	1,000 *
Equipment in Open	75,000	1,000 *
Inland Marine	1,490,913	500 *
Crime	3,000,000	1,000 *
Excess Liability	4,000,000	Excess of underlying *

* Deductible is per incidence

NOTE 11 RETIREMENT PLANS

Plan description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer, cost sharing, public employees retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost sharing, public employees retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S. Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighters System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* *with actuarial reductions*

** All post-retirement cost-of living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Contribution rates as of June 30, 2017 are as follows:

Utah Retirement Systems	Employee	Employer	Employer 401(k)
Contributory System:			
111 Local Government Div - Tier 2	N/A	14.91%	1.78%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	N/A	22.50%	1.33%
Noncontributory			
43 Other Div A with 2.5% COLA	N/A	34.04%	N/A
Firefighters Retirement System			
31 Other Division A	15.05%	3.89%	N/A
132 Tier 2 DB Hybrid Firefighters	N/A	10.75%	1.33%
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	11.83%	12.00%
232 Firefighters	N/A	0.08%	12.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2017, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 267,344	N/A
Public Safety System	279,923	-
Firefighters System	20,449	-
Tier 2 Public Employees System	97,114	-
Tier 2 Public Safety and Firefighter	69,297	-
Tier 2 DC Only System	22,232	N/A
Tier 2 DC Public Safety and Firefighter System	749	N/A
Total Contributions	\$ 757,108	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, we reported a net pension asset of \$17,884 and a net pension liability of \$2,365,315.

	(Measurement Date): December 31, 2016				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2015	Change (Decrease)
Noncontributory System	\$ -	\$ 1,236,605	0.1925808%	0.1953789%	-0.0027981%
Public Safety System	-	1,121,251	0.5525375%	0.5163099%	0.0362276%
Firefighters System	14,603	-	1.8522833%	1.8360255%	0.0162578%
Tier 2 Public Employees System	-	7,459	0.0668706%	0.0640237%	0.0028469%
Tier 2 Public Safety and Firefighter	3,281	-	0.3780014%	0.4820934%	-0.1040920%
	<u>\$ 17,884</u>	<u>\$ 2,365,315</u>			

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2017, we recognized pension expense of \$878,960.

At June 30, 2017 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,285	\$ 162,444
Changes in assumptions	442,812	127,011
Net difference between projected and actual earnings on pension plan investments	630,074	184,482
Changes in proportion and differences between contributions and proportionate share of contributions	60,629	30,587
Contributions subsequent to the measurement date	385,535	-
	<u>\$ 1,548,335</u>	<u>\$ 504,524</u>

\$385,535 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2017	\$ 196,157
2018	223,679
2019	251,616
2020	(29,894)
2021	(2,304)
Thereafter	<u>19,024</u>
	<u>\$ 658,278</u>

Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 Percent
Salary increases	3.35 – 10.35 percent, average, including inflation
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actual experience study for the five year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
		Inflation	2.60%
		Expected arithmetic nominal return	7.83%

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory System	\$ 2,561,427	\$ 1,236,604	\$ 131,113
Public Safety System	2,331,948	1,121,251	137,120
Firefighters System	528,058	(14,602)	(454,917)
Tier 2 Public Employees System	50,773	7,459	(25,492)
Tier 2 Public Safety and Firefighter	22,957	(3,281)	(23,445)
Total	\$ 5,495,163	\$ 2,347,431	\$ (235,621)

SYRACUSE CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contributions Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Syracuse City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457 (b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plan for fiscal year ended June 30, were as follows:

	2017	2016	2015
<i>401(k) Plan</i>			
Employer Contributions	\$ 49,972	\$ 43,429	\$ 30,027
Employee Contributions	88,655	78,802	73,745
<i>457 Plan</i>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	18,948	16,967	13,799
<i>Roth IRA Plan</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,600	\$ 400	\$ -

NOTE 12 REDEVELOPMENT AGENCY

The City Redevelopment Agency (RDA) was established in 1992 to target specific areas of the City that were planned for improvements. The RDA funds identified improvements to the project area properties. These improvements are authorized to be funded using the concept of property tax increment. This funding is provided by taking the property tax dollars that are paid on any increased value of the properties and improvements from the time the project was identified as those properties are developed until the defined amount has been recovered. These improvements act as a publicly funded stimulation to the project area intended to encourage private development of those areas.

The RDA has established four project areas, 1700 South established in 1993 (Town Center), 750 West established in 2004, the SR-193 Economic Development Area (EDA) established in 2012, and the Antelope Drive Community Development Area (CDA) established in August 2016. The 1700 South and 750 West project areas have a 25 year life, the SR-193 EDA project area has a 15 year life, and the Antelope Drive CDA has a 20 year life. This is the eleventh year that the 1700 South and 750 West project areas have received tax increment payments from the property tax system. This is the third year that the SR-193 EDA project area has received a tax increment from the property tax system. The Antelope Drive CDA has not triggered as of June 30, 2017.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 REDEVELOPMENT AGENCY (Continued)

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2017:

Property Tax Increment Received:

Project Area 1

Town Center	\$	208,810
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Project Area 2

750 West		100,430
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Project Area 3

SR-193		272,507
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Project Area 4

Antelope Drive		-
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Total tax increment received by RDA	\$	581,747
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Property Tax Increment Expended:

Administrative costs	\$	30,949
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Reimbursement of site improvements		458,933
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Total tax increment expended by RDA	\$	489,882
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NOTE 13 MUNICIPAL BUILDING AUTHORITY

The Municipal Building Authority of Syracuse (the MBA) was established in August 2006 to allow the City to streamline the funding and construction of city facilities. The MBA borrows funding, constructs facilities, and leases them to the City. The lease payments made by the City provide the revenue for the MBA to make the debt payments. Eventually the debt is paid off and the properties are then deeded to the City.

The initial lease agreement between the City and the MBA is for the new City Hall, an addition to the City Shops, and remodeled/enlarged public safety facilities from the existing City Hall and Public Safety buildings. Bonds were issued in December 2006 and construction has been completed on all structures.

A supplemental lease agreement was entered into between the City and the MBA in 2007. This adds a new fire station to the group of buildings constructed on behalf of the City by the MBA. Bonds for the financing of this facility were issued in March 2008 by the MBA and all construction has been completed.

On March 29, 2012, the MBA refinanced the 2008 Lease Revenue Bond and issued \$5,572,000 in Lease Revenue Bonds, Series 2012. The original purpose of the 2008 bonds was to construct a fire station. The refinance provided a debt service savings to the City of \$249,879 and a net savings of \$184,879.

During 2015, the MBA issued the 2014 Lease Revenue Refunding bonds to complete a partial advance refunding of 2006 Bond. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures. The refinance provided a debt service savings to the City of \$339,427 and a net savings of \$277,564.

During 2016, the MBA issued the 2016 Lease Revenue Refunding bonds to refund the remainder of the 2006 bond and to refund the 2012 bond and the 2014 bond. The refinance provided a debt service savings to the City of \$798,757 and a net savings of \$693,068.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 TRANSFERS

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2017, are as follows:

	<u>In</u>	<u>Out</u>
Governmental:		
General Fund	\$ -	\$ 1,723,705
RDA	69,605	-
MBA	209,100	-
Capital Projects	1,445,000	-
	<u>\$ 1,723,705</u>	<u>\$ 1,723,705</u>

The General Fund transferred \$69,605 to the RDA Fund as these funds were restricted in purpose for redevelopment activities. The General Fund also transferred \$209,100 in public safety impact fees to the MBA Fund to help pay down the bond on the fire station. Lastly, the General Fund transferred \$1,445,000 to the Capital Projects Fund for the acquisition or construction of capital assets.

NOTE 15 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2017, consists of the following:

Utah Class "C" Road Allotment	\$ 987,721	69.52%
County Highway & Public Transit Portion	278,937	19.63%
Utah Liquor Law Enforcement Grant	16,264	1.14%
Various State and Local Law Enforcement Grants	87,397	6.15%
Various Miscellaneous State Grants	28,982	2.04%
Miscellaneous Federal Grants	21,387	1.51%
	<u>\$ 1,420,688</u>	<u>100.00%</u>

REQUIRED SUPPLEMENTARY INFORMATION

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Revenues				
Taxes:				
Property	\$ 1,856,722	\$ 1,916,722	\$ 1,947,547	\$ 30,825
Fee-in-lieu	165,000	165,000	179,588	14,588
Delinquent prior years'	25,000	25,000	21,747	(3,253)
Sales and use	3,651,900	3,727,000	3,768,733	41,733
Franchise	1,480,000	1,480,000	1,544,870	64,870
Licenses and permits	611,000	811,000	780,813	(30,187)
Intergovernmental	1,350,263	1,353,963	1,412,688	58,725
Fines and forfeitures	241,000	201,000	213,007	12,007
Charges for services	1,809,666	2,039,666	2,016,114	(23,552)
Impact fees	802,000	958,750	993,505	34,755
Management fees	38,142	38,142	37,017	(1,125)
Interest	43,250	55,800	79,402	23,602
Miscellaneous	146,916	173,516	169,811	(3,705)
Total Revenues	12,220,859	12,945,559	13,164,842	219,283
Expenditures				
Current:				
General government:				
City council	42,305	42,305	34,835	7,470
City court	189,218	192,918	172,965	19,953
Administration	686,044	705,544	640,435	65,109
Community and economic development	709,792	719,792	672,746	47,046
Buildings and grounds	324,865	324,865	262,293	62,572
Information systems	208,537	208,537	208,537	-
Lease payment	860,000	860,000	855,000	5,000
Total general government	3,020,761	3,053,961	2,846,811	207,150
Public safety:				
Police department	2,666,441	2,666,441	2,604,117	62,324
Fire department	1,810,398	1,829,498	1,587,338	242,160
Total public safety	4,476,839	4,495,939	4,191,455	304,484
Highways and public improvements:				
Streets department	469,515	539,515	494,793	44,722
Street lighting	175,725	175,725	206,994	(31,269)
Class "C" roads	916,099	1,143,099	786,872	356,227
Total highways and public improv.	1,561,339	1,858,339	1,488,659	369,680
Parks and recreation	1,997,693	1,601,693	1,335,993	265,700
Debt service:				
Debt principal	91,554	91,554	80,795	10,759
Debt interest and fees	-	-	10,759	(10,759)
Total debt service	91,554	91,554	91,554	-
Capital Outlay	2,088,443	2,088,443	887,960	1,200,483
Total Expenditures	\$ 13,236,629	\$ 13,189,929	\$ 10,842,432	\$ 1,147,014

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND (Continued)
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,015,770)</u>	<u>\$ (244,370)</u>	<u>\$ 2,322,410</u>	<u>\$ 2,566,780</u>
Other Financing Sources (Uses)				
Transfer out	(725,822)	(1,725,822)	(1,723,705)	2,117
Sale of capital assets	<u>-</u>	<u>52,600</u>	<u>56,601</u>	<u>4,001</u>
Total Other Financing Sources (Uses)	<u>(725,822)</u>	<u>(1,673,222)</u>	<u>(1,667,104)</u>	<u>6,118</u>
Net Change in Fund Balance	<u><u>\$ (1,741,592)</u></u>	<u><u>\$ (1,917,592)</u></u>	<u>655,306</u>	<u><u>\$ 2,572,898</u></u>
Fund Balance, Beginning			<u>5,978,776</u>	
Fund Balance, Ending			<u><u>\$ 6,634,082</u></u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 494,362	\$ 516,521	\$ 512,142	\$ (4,379)
Interest	2,750	2,000	10,373	8,373
Miscellaneous	-	-	4,395	4,395
Total Revenues	<u>497,112</u>	<u>518,521</u>	<u>526,910</u>	<u>8,389</u>
Expenditures				
Redevelopment	<u>735,098</u>	<u>760,252</u>	<u>489,882</u>	<u>270,370</u>
Total Expenditures	<u>735,098</u>	<u>760,252</u>	<u>489,882</u>	<u>270,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(237,986)</u>	<u>(241,731)</u>	<u>37,028</u>	<u>278,759</u>
Other Financing Sources (Uses)				
Transfer in	<u>66,584</u>	<u>69,847</u>	<u>69,605</u>	<u>(242)</u>
Total Other Financing Sources (Uses)	<u>66,584</u>	<u>69,847</u>	<u>69,605</u>	<u>(242)</u>
Net Change in Fund Balance	<u>\$ (171,402)</u>	<u>\$ (171,884)</u>	<u>106,633</u>	<u>\$ 278,517</u>
Fund Balance, Beginning			<u>866,010</u>	
Fund Balance, Ending			<u>\$ 972,643</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –MUNICIPAL BUILDING AUTHORITY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Lease revenue	\$ 860,000	\$ 860,000	\$ 855,000	\$ (5,000)
Interest	500	500	810	310
Total Revenues	<u>860,500</u>	<u>860,500</u>	<u>855,810</u>	<u>(4,690)</u>
Expenditures				
Miscellaneous	6,010	6,010	2,610	3,400
Debt service:				
Principal	852,000	852,000	849,000	3,000
Interest	211,200	211,200	212,330	(1,130)
Total Expenditures	<u>1,069,210</u>	<u>1,069,210</u>	<u>1,063,940</u>	<u>5,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(208,710)</u>	<u>(208,710)</u>	<u>(208,130)</u>	<u>580</u>
Other Financing Sources (Uses)				
Transfer in	209,100	209,100	209,100	-
Issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>209,100</u>	<u>209,100</u>	<u>209,100</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 390</u>	<u>\$ 390</u>	<u>970</u>	<u>\$ 580</u>
Fund Balance, Beginning			<u>3,670</u>	
Fund Balance, Ending			<u>\$ 4,640</u>	

SYRACUSE CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
December 31, 2016
Last 10 years*

For the year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered Payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of its covered- employee payroll
Noncontributory Retirement System					
2016	0.1925808%	\$ 1,236,604	\$ 1,481,157	83.49%	87.3%
2015	0.1953789%	1,105,549	1,514,846	72.98%	87.8%
2014	0.2011432%	873,411	1,586,756	55.00%	90.2%
Public Safety System					
2016	0.5525375%	\$ 1,121,251	\$ 745,190	150.47%	86.5%
2015	0.5163099%	924,841	682,770	135.45%	87.1%
2014	0.5009609%	630,000	690,281	91.30%	90.5%
Firefighters Retirement System					
2016	1.8522833%	\$ (14,602)	\$ 604,218	-2.42%	100.4%
2015	1.8360255%	(33,254)	576,037	-5.77%	101.0%
2014	1.8434027%	(105,192)	564,673	-18.60%	103.5%
Tier 2 Public Employees Retirement System					
2016	0.0668706%	\$ 7,459	\$ 548,389	1.36%	95.1%
2015	0.0640237%	(140)	413,555	-0.03%	100.2%
2014	0.0772345%	(2,341)	378,986	-0.60%	103.5%
Tier 2 Public Safety and Firefighters Retirement					
2016	0.3780014%	\$ (3,281)	\$ 312,314	-1.05%	103.6%
2015	0.4820934%	(7,044)	286,855	-2.46%	110.7%
2014	0.5041142%	(7,457)	208,314	-3.60%	120.5%

**The 10-year schedule will be built prospectively. The schedule above is only for the years listed.*

**SYRACUSE CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS**

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System					
2017	\$ 267,344	\$ 267,344	\$ -	\$ 1,452,437	18.41%
2016	281,357	281,357	-	1,527,813	18.42%
2015	281,375	281,375	-	1,527,768	18.42%
2014	277,955	277,955	-	1,607,649	17.29%
Public Safety System					
2017	\$ 279,923	\$ 279,923	\$ -	\$ 822,334	34.04%
2016	235,433	235,433	-	691,637	34.04%
2015	225,485	225,485	-	662,412	34.04%
2014	243,950	243,950	-	756,815	32.23%
Firefighters System					
2017	\$ 20,449	\$ 20,449	\$ -	\$ 610,300	3.35%
2016	20,148	20,148	-	588,108	3.43%
2015	18,699	18,699	-	570,967	3.27%
2014	14,178	14,178	-	558,850	2.54%
Tier 2 Public Employees System*					
2017	\$ 97,114	\$ 97,114	\$ -	\$ 651,330	14.91%
2016	65,153	65,153	-	436,974	14.91%
2015	62,827	62,827	-	420,529	14.94%
2014	45,330	45,330	-	324,016	13.99%
Tier 2 Public Safety and Firefighter System*					
2017	\$ 69,297	\$ 69,297	\$ -	\$ 329,763	21.01%
2016	63,847	63,847	-	303,850	21.01%
2015	51,398	51,398	-	245,600	20.93%
2014	32,673	32,673	-	173,528	18.83%
Tier 2 Public Employees DC Only System*					
2017	\$ 22,232	\$ 22,232	\$ -	\$ 246,323	9.03%
2016	18,135	18,135	-	271,072	6.69%
2015	11,994	11,994	-	178,476	6.72%
2014	8,797	8,797	-	157,657	5.58%
Tier 2 Public Safety and Firefighter DC Only System*					
2017	\$ 749	\$ 749	\$ -	\$ 6,335	11.82%
2016	4,439	4,439	-	37,520	11.83%
2015	1,512	1,512	-	12,780	11.83%
2014	-	-	-	-	0.00%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.
Tier 2 systems were created effective July 1, 2011.

Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

SYRACUSE CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

The following assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

SUPPLEMENTAL INFORMATION

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 250,596	\$ 8,000	\$ 8,000	\$ -
Interest	-	-	9,464	9,464
Capital contributions	-	-	-	-
Total Revenues	<u>250,596</u>	<u>8,000</u>	<u>17,464</u>	<u>9,464</u>
Expenditures				
Parks and recreation	-	-	3,767	(3,767)
Capital outlay	440,051	341,500	201,758	139,742
Debt service:				
Principal	105,000	105,000	99,308	5,692
Interest	-	-	4,905	(4,905)
Total Expenditures	<u>545,051</u>	<u>446,500</u>	<u>309,738</u>	<u>136,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(294,455)</u>	<u>(438,500)</u>	<u>(292,274)</u>	<u>146,226</u>
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Transfer in	445,000	1,445,000	1,445,000	-
Total Other Financing Sources (Uses)	<u>445,000</u>	<u>1,445,000</u>	<u>1,445,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 150,545</u>	<u>\$ 1,006,500</u>	<u>1,152,726</u>	<u>\$ 146,226</u>
Fund Balance, Beginning			<u>824,319</u>	
Fund Balance, Ending			<u>\$ 1,977,045</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – CULINARY WATER FUND
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,844,590	\$ 1,873,000	\$ 1,889,013	\$ 16,013
Connection and servicing fees	81,250	100,000	95,098	(4,902)
Intergovernmental	-	334,000	49,506	(284,494)
Miscellaneous	1,000	1,000	7,940	6,940
Total Operating Revenues	1,926,840	2,308,000	2,041,557	(266,443)
Operating Expenses				
Salaries, wages, and benefits	352,170	352,170	355,815	(3,645)
Operations and maintenance	550,908	620,518	569,689	50,829
Professional services	460,000	460,000	452,525	7,475
Depreciation	560,000	585,000	589,932	(4,932)
Miscellaneous	1,500	1,500	346	1,154
Total Operating Expenses	1,924,578	2,019,188	1,968,307	50,881
Operating Income (Loss)	2,262	288,812	73,250	(215,562)
Nonoperating Income (Expense)				
Interest income	7,500	7,500	20,643	13,143
Gain (loss) from sale of capital assets	-	149,100	36,600	(112,500)
Total Nonoperating Income (Expense)	7,500	156,600	57,243	(99,357)
Income (loss) before capital contributions	9,762	445,412	130,493	(314,919)
Capital Contributions:				
Impact fees	241,500	305,000	290,882	(14,118)
Developer contributions	-	-	372,286	372,286
Change in Net Position	\$ 251,262	\$ 750,412	793,661	\$ 43,249
Net Position, Beginning			17,094,601	
Net Position, Ending			\$ 17,888,262	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – SEWER FUND
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 2,170,382	\$ 2,262,000	\$ 2,266,015	\$ 4,015
Connection and servicing fees	75,000	75,000	86,100	11,100
Miscellaneous	8,750	8,750	9,971	1,221
Total Operating Revenues	<u>2,254,132</u>	<u>2,345,750</u>	<u>2,362,086</u>	<u>16,336</u>
Operating Expenses				
Salaries, wages, and benefits	197,624	197,624	184,084	13,540
Operations and maintenance	175,336	175,336	151,765	23,571
Professional services	1,711,200	1,770,000	1,773,133	(3,133)
Depreciation	520,000	520,000	522,942	(2,942)
Miscellaneous	1,000	1,000	125	875
Total Operating Expenses	<u>2,605,160</u>	<u>2,663,960</u>	<u>2,632,049</u>	<u>31,911</u>
Operating Income (Loss)	<u>(351,028)</u>	<u>(318,210)</u>	<u>(269,963)</u>	<u>48,247</u>
Nonoperating Income (Expense)				
Interest income	9,000	9,000	16,124	7,124
Total Nonoperating Income (Expense)	<u>9,000</u>	<u>9,000</u>	<u>16,124</u>	<u>7,124</u>
Income (loss) before capital contributions	<u>(342,028)</u>	<u>(309,210)</u>	<u>(253,839)</u>	<u>55,371</u>
Capital Contributions:				
Developer contributions	-	-	289,000	289,000
Change in Net Position	<u>\$ (342,028)</u>	<u>\$ (309,210)</u>	<u>35,161</u>	<u>\$ 344,371</u>
Net Position, Beginning			<u>14,154,964</u>	
Net Position, Ending			<u>\$ 14,190,125</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – GARBAGE FUND
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,288,680	\$ 1,310,000	\$ 1,315,827	\$ 5,827
Miscellaneous	25,000	25,000	28,585	3,585
Total Operating Revenues	<u>1,313,680</u>	<u>1,335,000</u>	<u>1,344,412</u>	<u>9,412</u>
Operating Expenses				
Salaries, wages, and benefits	14,375	14,375	2,643	11,732
Operations and maintenance	72,988	72,988	79,982	(6,994)
Professional services	1,166,540	1,183,000	1,185,697	(2,697)
Miscellaneous	500	500	-	500
Total Operating Expenses	<u>1,254,403</u>	<u>1,270,863</u>	<u>1,268,322</u>	<u>2,541</u>
Operating Income (Loss)	<u>59,277</u>	<u>64,137</u>	<u>76,090</u>	<u>11,953</u>
Nonoperating Income (Expense)				
Interest income	2,600	2,600	5,007	2,407
Total Nonoperating Income (Expense)	<u>2,600</u>	<u>2,600</u>	<u>5,007</u>	<u>2,407</u>
Change in Net Position	<u>\$ 61,877</u>	<u>\$ 66,737</u>	<u>81,097</u>	<u>\$ 14,360</u>
Net Position, Beginning			<u>447,223</u>	
Net Position, Ending			<u>\$ 528,320</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – SECONDARY WATER FUND
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,524,600	\$ 1,524,600	\$ 1,532,397	\$ 7,797
Connection and servicing fees	75,000	75,000	86,650	11,650
Miscellaneous	10,000	10,000	1,639	(8,361)
Total Operating Revenues	<u>1,609,600</u>	<u>1,609,600</u>	<u>1,620,686</u>	<u>11,086</u>
Operating Expenses				
Salaries, wages, and benefits	267,350	267,350	249,329	18,021
Operations and maintenance	596,154	680,804	468,282	212,522
Professional services	350,000	350,000	327,991	22,009
Depreciation	450,000	450,000	432,148	17,852
Capital outlay	425,000	730,000	-	730,000
Miscellaneous	500	500	-	500
Total Operating Expenses	<u>2,089,004</u>	<u>2,478,654</u>	<u>1,477,750</u>	<u>1,000,904</u>
Operating Income (Loss)	<u>(479,404)</u>	<u>(869,054)</u>	<u>142,936</u>	<u>1,011,990</u>
Nonoperating Income (Expense)				
Interest income	5,300	5,300	20,172	14,872
Total Nonoperating Income (Expense)	<u>5,300</u>	<u>5,300</u>	<u>20,172</u>	<u>14,872</u>
Income (loss) before capital contributions	<u>(474,104)</u>	<u>(863,754)</u>	<u>163,108</u>	<u>1,026,862</u>
Capital Contributions:				
Impact fees	284,000	340,000	353,274	13,274
Developer contributions	200,000	125,000	1,804,721	1,679,721
Change in Net Position	<u>\$ 9,896</u>	<u>\$ (398,754)</u>	<u>2,321,103</u>	<u>\$ 2,719,857</u>
Net Position, Beginning			<u>24,085,674</u>	
Net Position, Ending			<u>\$ 26,406,777</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – STORM WATER FUND
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 426,120	\$ 426,120	\$ 430,218	\$ 4,098
Intergovernmental	-	-	-	
Miscellaneous	1,000	1,000	450	(550)
Total Operating Revenues	427,120	427,120	430,668	3,548
Operating Expenses				
Salaries, wages, and benefits	155,457	155,457	134,267	21,190
Operations and maintenance	257,836	257,836	159,870	97,966
Depreciation	228,000	257,000	260,481	(3,481)
Capital outlay	300,000	388,000	-	388,000
Miscellaneous	500	500	129	371
Total Operating Expenses	941,793	1,058,793	554,747	504,046
Operating Income (Loss)	(514,673)	(631,673)	(124,079)	507,594
Nonoperating Income (Expense)				
Interest income	2,500	2,500	13,235	10,735
Total Nonoperating Income (Expense)	2,500	2,500	13,235	10,735
Income (loss) before capital contributions	(512,173)	(629,173)	(110,844)	518,329
Capital Contributions:				
Impact fees	290,250	370,000	376,482	6,482
Developer contributions	-	-	166,624	166,624
Change in Net Position	\$ (221,923)	\$ (259,173)	432,262	\$ 691,435
Net Position, Beginning			8,360,546	
Net Position, Ending			\$ 8,792,808	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – INFORMATION TECHNOLOGY FUND
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 311,249	\$ 311,249	\$ 311,249	\$ -
Total Operating Revenues	<u>311,249</u>	<u>311,249</u>	<u>311,249</u>	<u>-</u>
Operating Expenses				
Salaries, wages, and benefits	169,355	169,355	166,172	3,183
Operations and maintenance	121,894	121,894	109,570	12,324
Total Operating Expenses	<u>291,249</u>	<u>291,249</u>	<u>275,742</u>	<u>15,507</u>
Operating Income (Loss)	<u>20,000</u>	<u>20,000</u>	<u>35,507</u>	<u>15,507</u>
Nonoperating Income (Expense)				
Interest income	150	150	1,316	1,166
Total Nonoperating Income (Expense)	<u>150</u>	<u>150</u>	<u>1,316</u>	<u>1,166</u>
Change in Net Position	<u>\$ 20,150</u>	<u>\$ 20,150</u>	<u>36,823</u>	<u>\$ 16,673</u>
Net Position, Beginning			<u>62,739</u>	
Net Position, Ending			<u>\$ 99,562</u>	

STATISTICAL SECTION

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STATISCIAL SECTION

INTRODUCTION

(Unaudited)

This part of Syracuse City Corporation's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
FINANCIAL TRENDS	73
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
REVENUE CAPACITY	84
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.</i>	
DEBT CAPACITY	90
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
DEMOGRAPHICS AND ECONOMIC INFORMATION	93
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
OPERATING INFORMATION	95
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**SYRACUSE CITY
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years**

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Miscellaneous	Total
2016-17	\$ 10,748,269	\$ 424,967	\$10,509,568	\$ 7,974,627	\$ 176,546	\$ 262,907	\$ 30,096,884
2015-16	10,108,043	219,497	7,893,995	7,391,338	97,034	291,919	26,001,826
2014-15	8,998,907	134,091	6,386,115	6,907,841	73,044	209,194	22,709,192
2013-14	8,665,729	159,315	3,277,186	6,702,622	62,450	307,307	19,174,609
2012-13	10,176,102	1,005,661	1,262,145	6,528,978	72,820	112,014	19,157,720
2011-12	8,782,781	890,117	732,621	6,349,093	68,227	238,929	17,061,768
2010-11	8,410,723	-	5,493,654	5,959,508	32,237	600,118	20,496,240
2009-10	7,668,076	115,149	5,107,748	5,667,730	31,268	1,025,895	19,615,866
2008-09	7,485,359	255,432	-	5,597,745	198,054	707,227	14,243,817
2007-08	6,986,464	-	144,000	5,340,527	582,373	840,803	13,894,167

SYRACUSE CITY
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Highways and Public Improvements ¹	Parks and Recreation	Interest on Long-Term Debt	Culinary Water Utility ²	Sewer Utility ²	Garbage Utility ²	Secondary Water Utility	Storm Water Utility ¹	Total
2016-17	\$ 2,816,906	\$ 4,640,066	\$ 3,313,400	\$ 1,711,853	\$ 240,796	\$ 1,957,655	\$ 2,630,274	\$ 1,266,547	\$ 1,472,424	\$ 552,972	\$ 20,602,893
2015-16	2,631,121	4,399,653	2,757,888	1,303,964	335,309	1,963,462	2,173,179	1,277,589	1,458,713	541,094	18,841,972
2014-15	2,240,878	3,543,704	3,392,400	905,768	399,150	1,854,520	1,837,672	1,226,319	1,336,431	569,462	17,306,304
2013-14	2,400,600	4,334,274	1,913,320	1,302,089	523,181	1,739,124	1,554,024	1,204,410	1,405,628	557,996	16,934,646
2012-13	2,743,962	4,349,143	1,982,422	1,109,490	559,958	1,694,016	1,165,527	1,191,793	1,383,551	449,994	16,629,856
2011-12	2,378,027	3,923,458	1,907,183	1,241,485	687,182	1,656,304	1,018,178	1,140,839	1,297,447	424,943	15,675,046
2010-11	2,093,864	3,843,940	2,114,678	1,298,632	684,474	1,509,611	1,012,749	1,148,287	1,158,364	426,122	15,290,721
2009-10	1,663,029	3,723,979	2,121,006	1,083,622	696,289	1,296,665	992,129	1,072,037	1,084,825	536,507	14,270,088
2008-09	2,106,972	3,944,700	3,809,582	1,159,929	783,675	1,315,738	899,303	1,071,645	1,139,891	-	16,231,435
2007-08	1,685,040	3,463,722	3,898,914	1,004,514	248,078	3,331,631	-	-	1,109,224	-	14,741,123

Note:

¹ Prior to FY 2010, the Storm Water Utility Fund was combined with Public Works.

² Prior to FY 2009, the Sewer Utility Fund and Garbage Utility Fund were combined with the Culinary Water Utility Fund.

SYRACUSE CITY
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES
Last Ten Fiscal Years

FISCAL YEAR	TAXES ⁴	LICENSES AND PERMITS	IMPACT FEES	INTERGOV- ERNMENTAL	MANAGEMENT AND ADMIN FEES ^{1, 2, 3}	CHARGES FOR SERVICES	FINES AND FORFEITURES	INTEREST AND MISC	TOTAL
2016-17	\$ 7,462,485	\$ 780,813	\$ 993,505	\$ 1,412,688	\$ 37,017	\$ 2,016,114	\$ 213,007	\$ 249,213	\$ 13,164,842
2015-16	6,995,706	815,417	1,204,320	2,608,490	30,376	1,907,359	208,626	231,281	14,001,575
2014-15	5,232,588	566,892	687,651	1,943,565	25,427	1,633,275	220,508	99,130	10,409,036
2013-14	5,015,482	591,877	1,002,799	881,459	24,538	1,705,281	224,033	190,640	9,636,109
2012-13	4,849,920	533,524	745,473	1,005,661	659,134	1,356,488	281,811	138,302	9,570,313
2011-12	4,636,245	350,229	337,850	1,009,609	613,025	1,082,134	342,441	97,415	8,468,948
2010-11	4,333,403	245,223	226,713	845,653	642,000	996,036	331,246	92,583	7,712,857
2009-10	4,199,180	321,654	482,160	821,797	-	907,170	295,248	67,410	7,094,619
2008-09	4,253,282	357,501	388,245	888,120	-	675,457	261,720	138,000	6,962,325
2007-08	4,097,863	344,859	589,458	1,090,769	-	602,888	218,843	183,278	7,127,958

Note:

General government is limited to the City's general fund.

¹ Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

² Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

³ Beginning in FY 2011, a management fee was charged to the redevelopment fund. This is included in management and admin fees above.

⁴ Beginning in FY 2016, franchise tax was recorded in the general fund instead of the capital projects fund.

SYRACUSE CITY
GENERAL GOVERNEMENT EXPENDITURES (Budget Basis) AND OTHER USES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government ^{3,4}	Public Safety	Highways and Public Improvements	Parks and Recreation	Capital Outlay ²	Debt Service	Other Financing Uses ¹	Total
2016-17	\$ 1,991,811	\$ 4,191,455	\$ 1,488,659	\$ 1,335,993	\$ 887,960	\$ 946,554	\$ 1,723,705	\$ 12,566,137
2015-16	1,882,524	3,994,200	3,533,813	1,442,742	-	1,185,573	1,433,286	13,472,138
2014-15	1,793,488	3,729,667	3,431,863	1,136,332	-	1,109,642	78,932	11,279,924
2013-14	1,690,942	3,786,705	2,381,973	1,044,047	-	271,256	41,553	9,216,476
2012-13	2,112,668	3,817,012	2,170,559	1,050,209	-	260,128	-	9,410,576
2011-12	2,012,733	3,462,242	1,121,517	956,884	-	192,781	200,000	7,946,157
2010-11	1,689,503	3,369,555	1,282,843	1,025,804	-	192,669	14,567	7,574,941
2009-10	1,174,765	3,221,583	1,136,292	955,982	-	192,980	124,000	6,805,602
2008-09	1,576,733	3,303,895	1,311,144	923,204	1,088,081	396,163	114,500	8,713,720
2007-08	1,522,231	3,186,613	2,172,362	916,204	825,112	362,768	603,377	9,588,667

Notes:

General government is limited to the City's general fund.

¹ Other financing uses includes transfers to other funds.

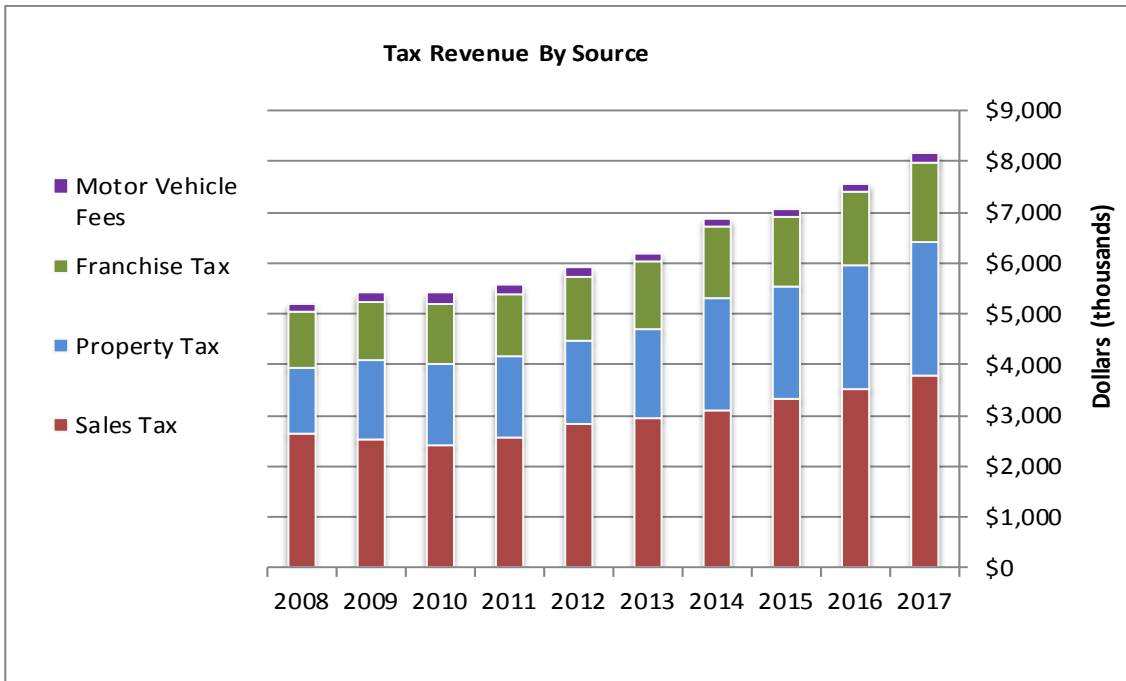
² In FY 2010, capital outlay expenditures were included under the function for which they were acquired. In FY2017, they were recorded separately.

³ Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

⁴ Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

SYRACUSE CITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Sales Tax	Property Tax	Franchise Tax	Motor Vehicle Fees	Total
2017	\$ 3,769	\$ 2,661	\$ 1,545	\$ 180	\$ 8,155
2016	3,520	2,423	1,449	173	7,565
2015	3,309	2,230	1,368	169	7,076
2014	3,096	2,210	1,396	158	6,860
2013	2,953	1,728	1,338	169	6,188
2012	2,820	1,650	1,267	166	5,903
2011	2,551	1,606	1,229	177	5,563
2010	2,429	1,569	1,209	202	5,409
2009	2,543	1,535	1,165	175	5,418
2008	2,655	1,265	1,107	178	5,205



SYRACUSE CITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 49,719	\$ 45,648	\$ 43,068	\$ 40,092	\$ 40,992	\$ 40,565	\$ 41,578	\$ 39,654	\$ 42,374	\$ 38,986
Restricted	4,388	4,145	3,107	3,792	2,298	1,771	811	727	867	6,675
Unrestricted	3,434	1,939	1,682	2,626	1,618	1,812	811	314	726	672
Total governmental activities net position	<u>\$ 57,541</u>	<u>\$ 51,732</u>	<u>\$ 47,857</u>	<u>\$ 46,510</u>	<u>\$ 44,908</u>	<u>\$ 44,148</u>	<u>\$ 43,200</u>	<u>\$ 40,695</u>	<u>\$ 43,967</u>	<u>\$ 46,333</u>
Business-type activities										
Net investment in capital assets	\$ 59,798	\$ 58,239	\$ 55,619	\$ 52,792	\$ 45,048	\$ 43,411	\$ 43,820	\$ 41,712	\$ 35,180	\$ 34,458
Restricted	2,358	1,571	1,833	1,530	801	1,042	970	714	136	900
Unrestricted	5,727	4,388	3,461	4,156	4,867	5,005	4,229	3,892	2,385	1,964
Total business-type activities net position	<u>\$ 67,883</u>	<u>\$ 64,198</u>	<u>\$ 60,913</u>	<u>\$ 58,478</u>	<u>\$ 50,716</u>	<u>\$ 49,458</u>	<u>\$ 49,019</u>	<u>\$ 46,318</u>	<u>\$ 37,701</u>	<u>\$ 37,322</u>
Primary government										
Net investment in capital assets	\$ 109,517	\$ 103,887	\$ 98,687	\$ 92,884	\$ 86,040	\$ 83,976	\$ 85,398	\$ 81,366	\$ 77,554	\$ 73,444
Restricted	6,746	5,716	4,940	5,322	3,099	2,813	1,781	1,441	1,003	7,575
Unrestricted	9,161	6,327	5,143	6,782	6,485	6,817	5,040	4,206	3,111	2,636
Total primary government net position	<u>\$ 125,424</u>	<u>\$ 115,930</u>	<u>\$ 108,770</u>	<u>\$ 104,988</u>	<u>\$ 95,624</u>	<u>\$ 93,606</u>	<u>\$ 92,219</u>	<u>\$ 87,013</u>	<u>\$ 81,668</u>	<u>\$ 83,655</u>

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 2,817	\$ 2,631	\$ 2,241	\$ 2,401	\$ 2,744	\$ 2,378	\$ 2,094	\$ 1,663	\$ 2,107	\$ 1,685
Public safety	4,640	4,400	3,544	4,334	4,349	3,924	3,844	3,724	3,945	3,464
Highways and public improvements ¹	3,313	2,758	3,392	1,913	1,983	1,907	2,115	2,121	3,809	3,899
Parks, recreation, and public property	1,712	1,304	906	1,302	1,109	1,241	1,299	1,084	1,160	1,004
Interest on long-term debt	241	335	399	523	560	687	684	696	784	248
Total governmental activities expenses	12,723	11,428	10,482	10,473	10,745	10,137	10,036	9,288	11,805	10,300
Business-type activities:										
Culinary water utility	\$ 1,958	\$ 1,963	\$ 1,855	\$ 1,739	\$ 1,694	\$ 1,656	\$ 1,510	\$ 1,297	\$ 1,316	\$ 3,332
Sewer utility	2,630	2,173	1,838	1,554	1,165	1,018	1,013	992	899	-
Garbage utility	1,267	1,278	1,226	1,204	1,192	1,141	1,148	1,072	1,071	-
Secondary water utility	1,472	1,459	1,336	1,406	1,384	1,298	1,158	1,085	1,140	1,109
Storm water utility	553	541	569	558	450	425	426	536	-	-
Total business-type activities expenses	7,880	7,414	6,824	6,461	5,885	5,538	5,255	4,982	4,426	4,441
Total primary government expenses	<u>\$ 20,603</u>	<u>\$ 18,842</u>	<u>\$ 17,306</u>	<u>\$ 16,934</u>	<u>\$ 16,630</u>	<u>\$ 15,675</u>	<u>\$ 15,291</u>	<u>\$ 14,270</u>	<u>\$ 16,231</u>	<u>\$ 14,741</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,687	\$ 1,671	\$ 1,279	\$ 1,337	\$ 1,782	\$ 1,540	\$ 1,397	\$ 809	\$ 808	\$ 730
Public safety	502	494	467	506	549	476	433	205	296	275
Highways and public improvements	240	237	172	149	389	245	804	924	1,500	1,446
Parks and recreation	618	560	551	571	946	645	476	436	288	415
Operating grants and contributions	425	220	134	159	1,006	890	-	115	91	-
Capital grants and contributions	6,807	4,491	3,420	1,826	489	499	2,946	2,771	-	44
Total governmental activities program revenues	10,279	7,673	6,023	4,548	5,161	4,295	6,056	5,260	2,983	2,910
Business-type activities:										
Charges for services:										
Culinary water utility ²	\$ 1,984	\$ 1,897	\$ 1,806	\$ 1,756	\$ 1,896	\$ 1,717	\$ 1,528	\$ 1,549	\$ 1,343	\$ 3,030
Sewer utility ²	2,352	1,991	1,593	1,303	1,136	1,011	986	989	845	-
Garbage utility ²	1,316	1,263	1,222	1,229	1,256	1,225	1,170	1,137	1,113	-
Secondary water utility	1,619	1,580	1,505	1,464	1,646	1,490	1,331	1,335	1,292	1,090
Storm water utility ¹	430	415	404	351	576	434	286	284	-	-
Capital grants and contributions	3,703	3,403	2,966	1,451	773	233	2,547	2,337	165	100
Total business-type activities program revenues	11,404	10,549	9,496	7,554	7,283	6,110	7,848	7,631	4,758	4,220
Total primary government program revenues	<u>\$ 21,683</u>	<u>\$ 18,222</u>	<u>\$ 15,519</u>	<u>\$ 12,102</u>	<u>\$ 12,444</u>	<u>\$ 10,405</u>	<u>\$ 13,904</u>	<u>\$ 12,891</u>	<u>\$ 7,741</u>	<u>\$ 7,130</u>

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (expense)/revenue:										
Governmental activities	\$ (2,444)	\$ (3,755)	\$ (4,459)	\$ (5,925)	\$ (5,584)	\$ (5,842)	\$ (3,980)	\$ (4,028)	\$ (8,822)	\$ (7,390)
Business-type activities	3,524	3,135	2,672	1,093	1,398	572	2,593	2,649	332	(221)
Total primary government net expense	<u>\$ 1,080</u>	<u>\$ (620)</u>	<u>\$ (1,787)</u>	<u>\$ (4,832)</u>	<u>\$ (4,186)</u>	<u>\$ (5,270)</u>	<u>\$ (1,387)</u>	<u>\$ (1,379)</u>	<u>\$ (8,490)</u>	<u>\$ (7,611)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 2,661	\$ 2,423	\$ 2,230	\$ 2,210	\$ 2,238	\$ 2,262	\$ 2,180	\$ 2,030	\$ 1,890	\$ 1,579
Sales taxes	3,769	3,520	3,309	3,096	2,953	2,820	2,551	2,429	2,543	2,655
Franchise taxes	1,545	1,449	1,368	1,396	1,338	1,267	1,229	1,209	1,165	1,107
Impact fees ³	-	-	-	-	-	-	227	482	232	262
Unrestricted investment earnings	101	58	46	39	36	33	11	10	143	440
Other revenues (uses) not restricted to specific programs	178	181	184	235	102	220	100	42	147	8,957
Transfers	-	-	96	187	187	187	186	190	336	1,343
Total governmental activities	<u>8,254</u>	<u>7,631</u>	<u>7,233</u>	<u>7,163</u>	<u>6,854</u>	<u>6,789</u>	<u>6,484</u>	<u>6,392</u>	<u>6,456</u>	<u>16,343</u>
Business-type activities:										
Impact fees ³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253	\$ 502	\$ 328	\$ 479
Unrestricted investment earnings	75	39	27	24	37	35	21	21	55	142
Other revenues (uses) not restricted to specific programs	85	110	26	72	10	19	21	-	-	6,406
Transfers	-	-	(96)	(187)	(187)	(187)	(186)	(190)	(336)	(1,343)
Total business-type activities	<u>160</u>	<u>149</u>	<u>(43)</u>	<u>(91)</u>	<u>(140)</u>	<u>(133)</u>	<u>109</u>	<u>333</u>	<u>47</u>	<u>5,684</u>
Total primary government	<u>\$ 8,414</u>	<u>\$ 7,780</u>	<u>\$ 7,190</u>	<u>\$ 7,072</u>	<u>\$ 6,714</u>	<u>\$ 6,656</u>	<u>\$ 6,593</u>	<u>\$ 6,725</u>	<u>\$ 6,503</u>	<u>\$ 22,027</u>
Change in Net Position										
Governmental activities	\$ 5,809	\$ 3,875	\$ 2,774	\$ 1,238	\$ 1,270	\$ 948	\$ 2,504	\$ 2,364	\$ (2,366)	\$ 8,953
Business-type activities	3,685	3,285	2,629	1,002	1,258	439	2,702	2,982	379	5,463
Total primary government	<u>\$ 9,494</u>	<u>\$ 7,160</u>	<u>\$ 5,403</u>	<u>\$ 2,240</u>	<u>\$ 2,528</u>	<u>\$ 1,387</u>	<u>\$ 5,206</u>	<u>\$ 5,346</u>	<u>\$ (1,987)</u>	<u>\$ 14,416</u>

Note:

¹ Prior to FY 2010, the Storm Water Utility Fund was combined with Government Activities - Highways and public improvements.

² Prior to FY 2009, the Sewer Utility Fund and Garbage Utility Fund were combined with the Culinary Water Utility Fund.

³ Beginning in FY2012, impact fee revenues were included in the program revenues above by department where charged.

SYRACUSE CITY
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	\$ 7,975	\$ 7,391	\$ 6,908	\$ 6,703	\$ 6,529	\$ 6,349	\$ 5,983	\$ 5,693	\$ 5,622	\$ 5,340
Licenses and permits	781	816	567	592	534	350	245	322	358	345
Impact fees	993	1,204	688	1,003	745	338	227	482	620	852
Intergovernmental	1,421	2,649	2,145	881	1,081	1,087	846	937	979	1,135
Administrative Fees ^{1,2}	-	-	-	-	600	506	579	-	-	-
Charges for services	2,016	1,907	1,633	1,705	1,356	1,082	996	907	954	603
Fines and forfeitures	213	209	221	224	282	343	331	295	262	219
Investment earnings	100	58	45	39	36	33	12	8	143	440
Lease Revenue	855	1,097	1,097	1,157	-	-	-	-	-	-
Management Fee ²	37	30	25	25	59	107	63	-	-	-
Miscellaneous	174	182	210	247	213	136	162	227	192	137
Total revenues	14,565	15,543	13,539	12,576	11,435	10,331	9,444	8,871	9,130	9,071
Expenditures										
General government ^{1,2}	1,992	1,882	1,793	1,691	2,458	2,199	1,836	1,183	1,582	1,529
Public safety	4,191	3,994	3,730	3,787	3,817	3,449	3,370	3,222	3,304	3,187
Highways and public improvemer	1,489	3,534	3,432	2,382	2,171	533	1,283	1,253	1,615	2,257
Parks and recreation	1,340	1,443	1,136	1,044	1,050	932	1,026	956	924	916
Lease Payment	855	1,097	1,097	1,157	-	-	-	-	-	-
Capital outlay	1,090	497	1,148	100	236	1,352	124	405	6,521	9,043
Redevelopment / Other	492	498	270	395	-	-	-	-	-	39
Debt service:										
Principal retirement	1,029	12,141	1,915	1,021	1,010	813	681	778	700	774
Interest and fiscal charges	228	356	434	541	578	660	684	706	777	114
Total expenditures	\$12,706	\$25,442	\$14,955	\$12,118	\$11,320	\$ 9,938	\$ 9,004	\$ 8,503	\$15,423	\$ 17,859

SYRACUSE CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Excess of revenues over (under) expenditures	\$ 1,859	\$ (9,899)	\$ (1,416)	\$ 458	\$ 115	\$ 393	\$ 440	\$ 368	\$ (6,293)	\$ (8,788)
Other financing sources (uses)										
Issuance of Debt	-	11,246	6,882		-	6,770	-	-	-	5,924
Payment to ref. bonds escrow agt	-	-	(6,419)		-	(5,572)	-	-	-	-
Capital contributions	-	-	228	3						
Sale of capital assets	57	-	-	1,961	14	156	-	-	-	-
Transfers in	1,724	1,433	1,100	228	187	187	201	414	1,258	1,117
Transfers out	(1,724)	(1,433)	(1,005)	(42)	-	-	(322)	(340)	(1,062)	(959)
Total other financing sources (uses)	57	11,246	786	2,150	201	1,541	(121)	74	196	6,082
Net change in fund balances	<u>\$ 1,916</u>	<u>\$ 1,347</u>	<u>\$ (630)</u>	<u>\$ 2,608</u>	<u>\$ 316</u>	<u>\$ 1,934</u>	<u>\$ 319</u>	<u>\$ 442</u>	<u>\$ (6,097)</u>	<u>\$ (2,706)</u>
Debt service as a percentage of noncapital expenditures	10.8%	50.1%	17.0%	13.0%	14.3%	17.2%	15.4%	18.3%	16.6%	10.1%

Note:

¹ Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenses in the general fund.

² Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

³ Beginning in FY 2011, a management fee was charged to the redevelopment fund. The expenditure is included in general government.

SYRACUSE CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General fund:										
Nonspendable	\$ 64	\$ 128	\$ 65	\$ 119	\$ 112	\$ 644	\$ 17	\$ -	\$ -	\$ -
Restricted	3,415	3,279	2,316	3,066	1,608	1,080	383	-	-	-
Committed	-	-	-	-	66	93	71	-	-	-
Assigned	705	548	682	738	-	-	-	-	-	-
Unassigned	2,450	2,024	2,386	2,146	1,716	1,324	1,000	-	-	-
Total general fund	<u>\$ 6,634</u>	<u>\$ 5,979</u>	<u>\$ 5,449</u>	<u>\$ 6,069</u>	<u>\$ 3,502</u>	<u>\$ 3,141</u>	<u>\$ 1,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

All other governmental funds:										
Restricted	\$ 973	\$ 866	\$ 791	\$ 725	\$ 690	\$ 691	\$ 428	\$ -	\$ -	\$ -
Committed	-	-	-	-	8	8	10	-	-	-
Assigned	1,981	828	86	162	149	193	190	-	-	-
Total all other governmental funds	<u>\$ 2,954</u>	<u>\$ 1,694</u>	<u>\$ 877</u>	<u>\$ 887</u>	<u>\$ 847</u>	<u>\$ 892</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474	\$ 259	\$ 1,046
Designated, unreserved	-	-	-	-	-	-	-	48	24	-
Unreserved	-	-	-	-	-	-	-	625	285	430
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147</u>	<u>\$ 568</u>	<u>\$ 1,476</u>

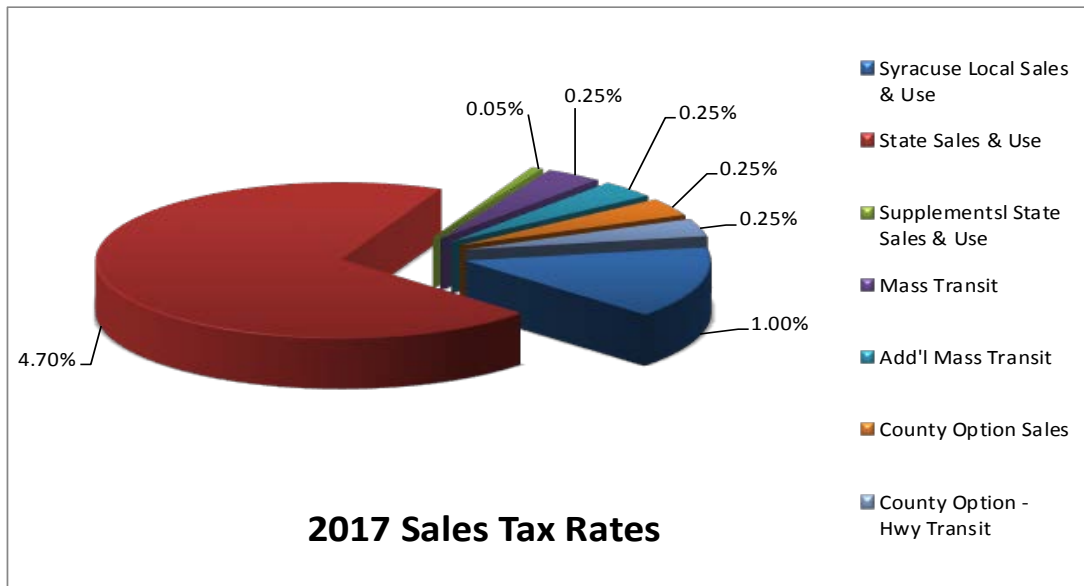
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254	\$ 608	\$ 5,629
Designated, unreserved reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	(15)	206	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	394	494	868
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 1,308</u>	<u>\$ 6,497</u>

Note:

Beginning in FY 2011, the fund balance categories were reclassified as a result of implementing GASB Statement 54. Fund balance has not been restated for prior years.

SYRACUSE CITY
SALES TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	Syracuse City Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	Mass Transit	Additional Mass Transit	County Option Sales	County Option Hwy / Transit	Total for Syracuse Residents
2017	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
2016	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
2015	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2014	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2013	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2012	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2011	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2010	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2009	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2008	1.00%	4.65%	0.05%	0.25%	0.25%	0.25%	-	6.45%



Note:

Rates are given as of the second quarter of each year.

Source:

Utah State Tax Commission - Sales Tax Division

SYRACUSE CITY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Centrally Assessed Property	Total Taxable Assessed Value	Total Direct City Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Actual Value
	Real Estate	Building	Mobile Homes	Other					
2017	\$ 377,142	\$ 849,949	\$ -	\$ 32,676	\$ 19,861	\$ 1,279,628	1.573	\$ 2,277,605	56.18%
2016	361,325	755,680	-	25,071	18,417	1,160,493	1.639	2,089,899	55.53%
2015	347,890	697,034	-	20,364	16,510	1,081,798	1.659	1,971,626	54.87%
2014	316,519	650,579	-	21,928	16,576	1,005,602	1.787	1,749,861	57.47%
2013	320,108	612,472	-	23,388	15,136	971,104	1.832	1,653,539	58.73%
2012	317,384	608,728	-	24,689	14,840	965,641	1.821	1,809,649	53.36%
2011	336,032	681,079	-	19,412	15,426	1,051,949	1.631	1,771,644	59.38%
2010	339,540	637,430	-	21,423	20,827	1,019,220	1.613	1,719,161	59.29%
2009	425,187	597,489	18	21,169	19,464	1,063,327	1.500	n/a	n/a
2008	243,935	581,033	13	14,650	17,586	857,217	1.500	n/a	n/a

Notes:

Taxable property value is based on the calendar year ending six months before the fiscal year ends.

Estimated actual market value is not available for the prior two years.

Total property value is excluding fee-in-lieu.

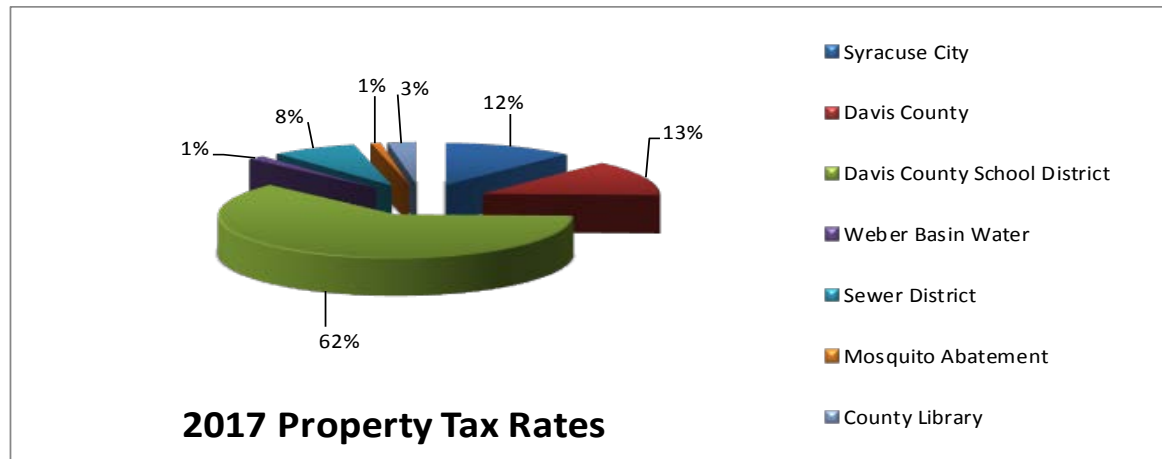
Sources:

Utah State Tax Commission - Property Tax Division website

Davis County

SYRACUSE CITY
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$1,000 Assessed Valuation)

Fiscal Year	Syracuse City ¹	Davis County	Davis County School District	Weber Basin Water Conservancy District	North Davis County Sewer District	Davis County Mosquito Abatement District	County Library	Total Levy for Syracuse Residents
2017	1.573	1.779	8.125	0.187	1.025	0.116	0.342	13.147
2016	1.639	1.905	8.555	0.196	1.025	0.122	0.361	13.803
2015	1.659	2.161	8.259	0.199	1.025	0.124	0.361	13.788
2014	1.787	2.331	8.710	0.210	1.025	0.103	0.389	14.555
2013	1.832	2.391	8.941	0.215	0.993	0.105	0.396	14.873
2012	1.821	2.383	8.861	0.217	0.928	0.104	0.392	14.706
2011	1.631	2.213	7.860	0.207	0.864	0.097	0.363	13.235
2010	1.613	2.108	7.118	0.188	0.763	0.093	0.348	12.231
2009	1.500	1.997	6.764	0.181	0.763	0.088	0.332	11.625
2008	1.500	2.189	7.176	0.200	0.763	0.099	0.375	12.302



Notes:

¹ The direct Syracuse City property tax rate is used solely for general operations of the city government.

Overlapping rates are those of local and county governments that apply to property owners within Syracuse City. Not all overlapping rates apply to all Syracuse City property owners (e.g., the rates for special districts apply only to the property owners whose property is located within the geographic boundaries of the special district).

Source:

Utah State Tax Commission - Property Tax Division web site

SYRACUSE CITY
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Eight Years Ago
(Amounts Expressed in Thousands)

Taxpayer	Type of Business	2017			2009		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
United States Cold Storage, Inc	Manufacturing	\$ 22,652	1	1.77%	n/a	n/a	n/a
Wal-Mart	Retail	\$ 13,894	2	1.09%	\$ 15,339	1	1.44%
Pacificorp	Utility	10,543	3	0.82%	13,734	2	1.29%
Syracuse School Develop. III	Educational	9,112	4	0.71%	n/a	n/a	n/a
Syracuse Family Fun Center	Retail	7,812	5	0.61%	n/a	n/a	n/a
Antelope LC	Medical	7,361	6	0.58%	6,799	3	0.64%
Boyer Syracuse Associates	Retail properties	6,463	7	0.51%	6,769	4	0.64%
Questar Gas	Utility	5,565	8	0.43%	3,301	8	0.31%
Shadowpoint LLC	Retail properties	5,325	9	0.42%	4,714	6	0.44%
Utan Onions Inc.	Agriculture	4,611	10	0.36%	n/a	n/a	n/a
Total taxable value of 10 largest taxpayers		93,338		7.29%	50,656		4.76%
Total taxable value of other taxpayers		1,186,290		92.71%	1,012,671		95.24%
Total taxable value of all taxpayers		<u>\$ 1,279,628</u>		<u>100.00%</u>	<u>\$ 1,063,327</u>		<u>100.00%</u>

Note:

Information from ten years ago was unavailable, so the 2009 tax year was used.

Source:

Davis County Clerk/Auditor's office

SYRACUSE CITY
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Tax Years

Tax Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collection of Previous years Taxes	Total Tax Collections	Percent of Total Tax Collected to Total Levy
2017	\$ 2,012,855	\$ 1,947,547	96.76%	\$ 21,747	\$ 1,969,294	97.84%
2016	1,902,048	1,830,402	96.23%	23,319	1,853,721	97.46%
2015	1,794,703	1,741,894	97.06%	12,723	1,754,617	97.77%
2014	1,797,011	1,741,771	96.93%	19,159	1,760,930	97.99%
2013	1,779,063	1,667,892	93.75%	59,897	1,727,789	97.12%
2012	1,758,432	1,607,933	91.44%	42,352	1,650,285	93.85%
2011	1,715,729	1,577,797	91.96%	27,934	1,605,731	93.59%
2010	1,644,002	1,515,516	92.18%	53,035	1,568,551	95.41%
2009	1,594,991	1,501,503	94.14%	33,483	1,534,986	96.24%
2008	1,285,826	1,235,036	96.05%	29,718	1,264,754	98.36%

Source:

Davis County Treasurer's office

SYRACUSE CITY
PROPERTY VALUE AND NEW CONSTRUCTION
Last Ten Fiscal Years
(Dollar Values Expressed in Thousands)

Year	Real Property Taxable Value ¹				Residential Construction ²		Commercial Construction ²		Other Construction ²	
	Commercial	Residential	Other	Total	Units	Value	Units	Value	Units	Value
2017	\$ 132,290	\$ 1,057,229	\$ 37,573	\$ 1,227,092	324	\$ 73,726	8	\$ 8,568	538	\$ 9,672
2016	113,247	964,365	39,394	1,117,006	248	57,334	7	385	348	5,672
2015	96,199	914,973	33,752	1,044,924	174	39,153	9	3,105	205	1,690
2014	100,740	833,866	32,492	967,098	212	49,330	8	517	216	1,802
2013	107,187	787,373	38,019	932,579	162	37,652	5	192	186	2,152
2012	102,217	781,365	42,529	926,112	83	18,195	9	313	207	1,509
2011	115,544	851,112	50,455	1,017,111	69	15,260	12	958	240	1,882
2010	93,539	828,723	54,708	976,970	96	20,963	33	4,171	283	2,394
2009	78,859	863,778	80,039	1,022,676	69	16,864	26	62,129	285	2,479
2008	62,037	700,164	62,768	824,969	255	57,161	37	16,496	262	2,297

Note:

Taxable property value, construction units and construction values are based on the calendar year ending six months before the fiscal year ends.

Sources:

¹ Utah State Tax Commission - Property Tax Division

² Syracuse City Community & Economic Development department

SYRACUSE CITY
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Lease	MBA Revenue Bonds	Sales Tax Revenue Bonds	Special Assessment Bonds	Excise Tax Road Bonds	Capital Improvement Loan	Capital Lease	Water Revenue Notes			
2017	\$ 485,823	\$ 10,397,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10,882,823	1.43%	383.10
2016	665,926	11,246,000	-	-	-	-	-	-	11,911,926	1.63%	434.82
2015	875,246	11,930,000	-	-	-	-	-	-	12,805,246	1.88%	480.70
2014	655,953	12,249,000	985,000	-	-	-	-	-	13,889,953	2.16%	538.89
2013	853,726	12,932,000	1,125,000	-	-	-	-	-	14,910,726	2.43%	593.63
2012	1,058,686	13,602,000	1,260,000	-	-	-	-	113,000	16,033,686	2.75%	647.67
2011	-	13,901,000	1,390,000	-	-	-	-	226,000	15,517,000	2.87%	637.75
2010	-	14,457,000	1,515,000	-	-	-	-	339,000	16,311,000	5.90%	723.61
2009	-	14,999,000	1,640,000	111,000	-	-	-	452,000	17,202,000	6.14%	780.14
2008	-	15,304,000	1,760,000	216,000	170,000	-	-	565,000	18,015,000	6.78%	854.97

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics for personal income and population data.

SYRACUSE CITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2016

Governmental Unit	General Bonded Debt Outstanding	Est. Percentage Applicable to Syracuse City	Estimated Share of Overlapping Debt
North Davis County Sewer District ¹	\$ 23,755,000	12.67%	\$ 3,009,841
State of Utah ²	2,173,985,000	0.53%	11,585,201
Weber Basin Water Conservancy District ¹	18,618,938	2.53%	470,786
Davis County ²	14,780,075	6.26%	925,020
Davis County School District ²	460,010,000	6.26%	28,790,007
Overlapping debt			\$ 44,780,855
Syracuse City bonded debt		100.00%	10,397,000
Total direct and overlapping general bonded obligation debt			<u>\$ 55,177,855</u>

Note:

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by taking Syracuse City's taxable property value and dividing by the governmental unit's taxable property value.

Sources:

¹ Individual governmental unit

² Davis County CAFR 2016

SYRACUSE CITY
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 51,185	\$ 46,420	\$ 43,272	\$ 40,224	\$ 38,844	\$ 38,626	\$ 42,078	\$ 40,769	\$ 42,533	\$ 34,289
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 51,185</u>	<u>\$ 46,420</u>	<u>\$ 43,272</u>	<u>\$ 40,224</u>	<u>\$ 38,844</u>	<u>\$ 38,626</u>	<u>\$ 42,078</u>	<u>\$ 40,769</u>	<u>\$ 42,533</u>	<u>\$ 34,289</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total assessed value						<u>\$ 1,279,628</u>				
Debt limit (4% of total assessed value)						\$ 51,185				
Debt applicable to limit:										
Total bonded debt					\$ 10,397					
Less:										
Special assessment bonds					-					
Revenue bonds					(10,397)					
Amounts available for repayment of general obligation bonds					-					
Other deductions allowed by law					<u>-</u>					
Total net debt applicable to limit						<u>-</u>				
Legal debt margin						<u>\$ 51,185</u>				

**SYRACUSE CITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Year	Population ¹	Personal Income ¹	Per Capita Personal Income ¹	Unemployment Rate ²	Total Public School Enrollment ³
2016	28,407	\$ 758,552,121	26,703	3.1%	71,021
2015	27,395	731,090,365	26,687	3.4%	69,879
2014	26,639	682,624,375	25,625	3.4%	69,139
2013	25,775	641,823,275	24,901	3.5%	68,505
2012	25,118	614,737,932	24,474	4.3%	68,342
2011	24,756	583,449,408	23,568	5.6%	67,736
2010	24,331	539,960,800	22,192	6.2%	66,071
2009	22,541	276,303,598	12,258	5.9%	65,452
2008	22,050	279,942,855	12,696	3.3%	65,014
2007	21,071	265,852,664	12,617	2.6%	64,553

Notes:

Figures for 2010 are from the 2010 US Census.

Population figures, other than 2010, are estimates as of July 1 based on the US Census' population estimates

Personal income figures, other than 2010, are estimates based on annual growth rates for the State of Utah.

Unemployment figures are rates for Davis County. Information on a city level is not available.

Sources:

¹ U S Census Bureau

² State Department of Workforce Services website - <https://jobs.utah.gov>

³ State of Utah - State Office of Education web sites

**SYRACUSE CITY
PRINCIPAL EMPLOYERS
Prior Year and Ten Years Ago**

		Fiscal Year			
		2016		2007	
Employer	Type of Business	Employees	Rank	Employees	Rank
Hill Air Force Base	US Air Force / Logistics	10,000 - 14,999	1	10,000 - 14,999	1
Davis County School District	Public Education	7,000 - 9,999	2	5,000 - 6,999	2
ATK Space Systems	Manufacturing	1,000 - 1,999	3	n/a	n/a
Smith's Food & Drug / Marketplace	Retail	1,000 - 1,999	4	1,000 - 1,999	5
Wal-Mart	Retail	1,000 - 1,999	5	1,000 - 1,999	6
Lifetime Products	Manufacturing / Retail	1,000 - 1,999	6	1,000 - 1,999	4
Lagoon, Inc	Amusement Park	1,000 - 1,999	7	1,000 - 1,999	3
Davis County	County Government	1,000 - 1,999	8	500 - 999	9
Utility Trailer	Manufacturing	500 - 999	9	n/a	n/a
Davis Hospital	Medical	500 - 999	10	500 - 999	10
Albertson's	Retail	n/a	n/a	500 - 999	7
Citicorp Credit Services	Retail	n/a	n/a	500 - 999	8

Notes:

The Utah Department of Workforce Services provides employment information on a county basis.
Syracuse City is the fifth largest city in Davis County.

Source:

Department of Workforce Services website - <http://jobs.utah.gov>
Davis County Comprehensive Annual Financial Report 2016

SYRACUSE CITY
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Eight Fiscal Years

Function / Programs	Full-time Employees as of June 30							
	2017	2016	2015	2014	2013	2012	2011	2010
General government	20	19	17	20	18	17	17	17
Public safety								
Firefighters	12	12	12	12	12	11	11	11
Police								
Officers	21	19	20	15	18	19	19	18
Civilians	2	2	2	2	2	2	2	2
Highways and public improvements	16	16	15	14	13	14	13	12
Parks & Recreation	9	7	5	5	6	6	7	8
Total	80	75	71	68	69	69	69	68

Note:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

Sources:

Payroll departmental data

SYRACUSE CITY
OPERATING INDICATORS BY FUNCTION
Last Eight Fiscal Years

Function	Fiscal Year							
	2017	2016	2015	2014	2013	2012	2011	2010
Police								
Total incidents ¹	14,905	17,158	14,320	12,085	7,628	7,821	7,698	6,641
Citations written	1,423	1,430	1,677	1,773	2,023	1,871	2,614	2,105
Total violations included on citations	2,077	1,963	2,406	2,441	2,780	2,781	3,335	2,756
Theft incidents	252	270	291	218	213	195	258	364
Assault incidents	86	79	77	83	96	104	126	215
Fire								
Number of calls dispatched	1002	982	910	805	743	817	850	764
Streets								
Street sweeping:								
Miles	1005	1180	775	812	784	705	627	1,919
Hours	358	438	291	291	257	213	211	509
Water								
Service connections	7853	7540	7330	7184	6863	6,683	6,608	6,534
Average daily consumption (gallons)	1,730,984	1,661,331	1,930,000	1,928,000	1,705,000	1,603,580	1,634,638	1,402,504
Recreation								
Community center memberships	932	924	998	1,172	1,929	1,328	1,261	852
Recreation program participants ²	5,520	4,709	4,014	4,105	4,090	4,218	4,134	3,998

Note:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

¹ For 2015 & 2014, incidents included all actions for police officers, including items that did not receive an incident number.

² In 2017, new programs were added including youth art classes, senior art classes, flag football, and additional summer programs.

Sources:

Various City departmental data

SYRACUSE CITY
CAPITAL STATISTICS BY FUNCTION
Last Eight Fiscal Years

Function	Fiscal Year							
	2017	2016	2015	2014	2013	2012	2011	2010
Police								
Stations	1	1	1	1	1	1	1	1
Patrol units	11	11	11	11	10	10	10	10
Fire								
Stations	1	1	1	1	1	1	1	1
Streets								
Streets (miles) ¹	103	98	97	96	96	94	97	97
Streetlights ²	901	863	846	815	722	720	395	341
Parks and recreation								
Community centers	1	1	1	1	1	1	1	1
Parks	15	14	12	12	12	12	12	12
Park acreage ³	197	147	107	107	107	107	107	107
Trails (acreage)	31	29	29	29	29	29	29	29
Covered picnic areas	11	10	10	10	10	10	10	10
Baseball/Softball diamonds	5	5	4	4	4	4	4	4
Soccer fields	9	7	5	5	5	3	3	2
Tennis courts	2	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	2	1

Notes:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

¹ A complete road survey and analysis was performed in 2012 and it was determined that actual street miles were 94 instead of the 97 miles represented in prior years.

² Syracuse City purchased all of the street lights owned by Rocky Mountain Power in May 2012.

³ In 2016, park acreage also included detention basins used for sports and the equestrian park. In 2017, the City acquired 50 acres of land for a future regional park.

Sources:

Various City departmental data

COMPLIANCE SECTION



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the City Council
City of Syracuse
Syracuse, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Syracuse, Utah's (the City) basic financial statements, and have issued our report thereon dated November 14, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah
November 14, 2017



Keddington & Christensen, LLC

Certified Public Accountants

Gary K. Keddington, CPA

Phyl R. Warnock, CPA

Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Honorable Mayor and
Members of the City Council
City of Syracuse
Syracuse, Utah

Report on Compliance with General State Compliance Requirements

We have audited the City of Syracuse's (the City) compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2017.

General state compliance requirements were tested for the year ended June 30, 2017 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	URS Compliance
Restricted Taxes and Related Revenues	Open and Public Meetings Act
Treasurer's Bond	Cash Management

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements

In our opinion, the City of Syracuse complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

The purpose of this report is on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah
November 14, 2017